

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

G-22

**Journal
des débats
(Hansard)**

G-22

**Standing Committee on
General Government**

Rental Fairness Act, 2017

2nd Session
41st Parliament

Tuesday 9 May 2017

**Comité permanent des
affaires gouvernementales**

Loi de 2017 sur l'équité
en location immobilière

2^e session
41^e législature

Mardi 9 mai 2017

Chair: Grant Crack
Clerk: Sylwia Przedziecki

Président : Grant Crack
Greffière : Sylwia Przedziecki



Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7400.

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7400.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



ISSN 1180-5218

Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

CONTENTS

Tuesday 9 May 2017

Rental Fairness Act, 2017, Bill 124, Mr. Ballard / Loi de 2017 sur l'équité en location immobilière, projet de loi 124, M. Ballard.....	G-341
Mr. Derek Schmidt.....	G-341
Hamilton and District Apartment Association	G-343
Mr. Arun Pathak	
Federation of Rental-housing Providers of Ontario	G-346
Mr. Jim Murphy	
Toronto Region Board of Trade	G-348
Mr. Jeff Parker	
Brentwood Towers Tenants' Association	G-350
Mr. John Plumadore	
Advocacy Centre for Tenants Ontario	G-352
Ms. Dania Majid	
Mr. Jonathan Ho	
The Lung Association—Ontario	G-354
Mr. Chris Yaccato	
Greater Toronto Apartment Association	G-356
Mr. Daryl Chong	
Canadian Association of Radon Scientists and Technologists	G-358
Mr. Bob Wood	
Mr. Scott Cryer	
Hapfield Developments.....	G-360
Ms. Patti-Jo McLellan Shaw	

EXHIBIT

EXHIBIT A

STATE OF NEW YORK
IN SENATE
January 12, 1910.
REPORT
OF THE
COMMISSIONERS OF THE LAND OFFICE
IN RESPONSE TO A RESOLUTION
PASSED BY THE SENATE
MAY 1, 1909.
ALBANY:
J. B. LIPPINCOTT COMPANY, PRINTERS.
1910.

ALBANY: J. B. LIPPINCOTT COMPANY, PRINTERS, 1910.

ALBANY: J. B. LIPPINCOTT COMPANY, PRINTERS, 1910.

ALBANY: J. B. LIPPINCOTT COMPANY, PRINTERS, 1910.

ALBANY: J. B. LIPPINCOTT COMPANY, PRINTERS, 1910.

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Tuesday 9 May 2017

Mardi 9 mai 2017

The committee met at 1530 in committee room 2.

RENTAL FAIRNESS ACT, 2017

LOI DE 2017 SUR L'ÉQUITÉ
EN LOCATION IMMOBILIÈRE

Consideration of the following bill:

Bill 124, An Act to amend the Residential Tenancies Act, 2006 / Projet de loi 124, Loi modifiant la Loi de 2006 sur la location à usage d'habitation.

The Chair (Mr. Grant Crack): Good afternoon, everyone. I'd like to call the Standing Committee on General Government to order. I'd like to welcome members of the committee, legislative research, Clerk, Hansard and broadcasting.

Ladies and gentlemen, today we're here to go through the public hearings aspect of Bill 124, An Act to amend the Residential Tenancies Act, 2006.

Mr. Hardeman had something to propose to committee. Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much, Mr. Chair. Through you to the Clerk: I was wondering if we could get the Hansard expedited for these hearings. The hearings finish at 6 o'clock on Tuesday, and the amendments are due by the afternoon of Thursday. If we don't get the expedition on the Hansard, we will not be able to use the Hansard to help prepare amendments. So I'd just ask—through you, to the Clerk—if we can expedite that.

The Chair (Mr. Grant Crack): Is it the will of the committee to make that request through to the Clerk to expedite? We have unanimous consent. That is granted. Thank you very much.

Mr. Ernie Hardeman: We're getting off on a great foot.

The Chair (Mr. Grant Crack): It is a good day.

Again, we will be hearing from a number of presenters. They have five minutes for their presentations, followed by nine minutes of questions, three from each party. We have a tight schedule.

MR. DEREK SCHMIDT

The Chair (Mr. Grant Crack): I'd like to call our first, Derek Schmidt, and he is via teleconference. Mr. Schmidt, are you with us?

Mr. Derek Schmidt: Yes, I'm here.

The Chair (Mr. Grant Crack): Welcome, sir. You have up to five minutes. We welcome you on behalf of the committee.

Mr. Derek Schmidt: Okay, thank you. First of all, I'm just glad that you're looking at the Residential Tenancies Act. As a landlord, my perspective is that it definitely needs adjusting in terms of fairness.

In the current bill, some points—definitely for tenants—are good and they make sense, in terms of landlords abusing the use of—landlords moving in and stuff. But I have some issues with it as well, in terms of no rental increases with utilities, and then some of the things with leases and stuff. I'll go into those.

The issues I have with the leases, and with the way the legislation is, in terms of not being able to go after tenants who have vacated the building, and being able to take them to small claims court for rent arrears or whatever—as a landlord, it makes having a lease for one year pretty much useless, because essentially, by the sound of it, the tenant can break the lease with two months' notice, in the first week they're in the unit. I've had a few tenants do this in the past, and usually I'm pretty considerate, as life takes many people in different directions. But it's hard for the landlord because of the cost of the changeover from tenant to tenant, especially if the tenant has been in there for even a couple of months and has definitely trashed the place or abused it a bit more heavily than others might.

Then there's also the advertising and the time required to find new tenants for that unit. Not being able to at least go for a year's lease will make it difficult for landlords to be able to choose tenants, and also to be able to be profitable and have these investments work out. That's definitely a big issue.

I feel like, as landlords, we're already pretty vulnerable to tenants with the current act in place. Whenever I go through an analysis of situations—like, if a tenant doesn't pay rent or they're late paying rent, what do I do?—and try to use the different Landlord and Tenant Board forms or procedures, every time, essentially, I feel like I'm pretty powerless in those situations. Unless I'm willing to lose money or sort of—you know, if a tenant's paying late, they're probably paying late for a reason—to not having the money at that time. I don't really want to go through the Landlord and Tenant Board because then I'll be responsible for the \$180—I think it's a \$180 fee nowadays—and then trying to hound them for that

money, which I probably feel like I'll be out because of that. So there's all these things that are going through the Landlord and Tenant Board right now, that I would like to see addressed.

Just with the Rental Fairness Act now, it seems very biased towards tenant issues without addressing the landlord issues. I've been emailing my MPP over the last years with all my experiences that I've had and hoping for some change, and then to see the change come through—which I definitely understand addressing those issues—but being pretty one-sided to tenants is pretty frustrating due to my experiences and seeing other landlords and their experiences too. So I would appreciate if there were some things that were done to address landlord issues.

For myself, I have rented out a building; I have a number of houses. One of them, the whole house sort of—you could say—went bad. It ended up that all three units stopped paying rent, and going through the whole Landlord and Tenant Board process literally took, with appeals and finally getting the sheriff, eight months. I was unable to reclaim those costs even by going to Small Claims Court and using collection agencies. I estimate that I was probably out somewhere around \$25,000 due to that experience.

I've also had the experience too of a tenant trying to move into one of my units, and the tenant and I agreed, we signed the forms, all was good, but the day of—I think I had a little bit of warning two days before—he decided he was suddenly not moving and I was left in the lurch—

The Chair (Mr. Grant Crack): Sorry to interrupt you. Thank you very much. We all have five minutes for the presentation, and I'm going to start with Mr. Hardeman from the official opposition.

Mr. Ernie Hardeman: Thank you very much, Mr. Schmidt, for your presentation. Obviously we've spoken to a number of people since this bill was introduced, and there seems to be quite—what shall we say—a difference between the issues between larger landlords and small landlords, particularly small landlords when they're talking about apartments in the same building in which they live. Obviously the association between the landlord and the tenants becomes different if they all live in the same house. This is what I've been hearing from quite a few people.

There are two issues that maybe I would just throw out to you and maybe you could speak a little bit more about them that apply primarily to those types of landlords and tenants. One is the penalty in it. If you have a basement apartment or an apartment anywhere in your house and you want to use it for a family member or for a caregiver, in order to ask the tenant to vacate, you must pay back not only their deposit but you must pay one month's penalty because you want the space back.

The other one is that the act does not allow, as it has in the past, including the increasing cost of energy—which we all know has increased quite dramatically in the last year or two. It does not allow the landlord to put the cost

of the increase as an extraordinary cost. It has to be included in the price of the rent; if the rent is increased, it must be part of that maximum 2.5% increase. So, in a lot of cases, the increase in hydro is much more than that, if you're both working from the same meter in the same house and you're not allowed to increase it extraordinarily, and all of a sudden the landlord could be paying for the hydro that the tenants are using. I wonder if you could comment on those two issues.

Mr. Derek Schmidt: Yes, for sure. The first one definitely, with asking a tenant to vacate, which I understand has been abused by some landlords, but at the same time when it comes to that situation, I feel like giving too much notice to a tenant to find a new place is fair, but having to compensate them for a month's rent or trying to find an acceptable unit for them just seems above and beyond what would be needed in these situations. I understand there are abuses and I understand the good-faith and bad-faith arguments. It just seems that it's a bit above.

1540

The increase in utilities: That's the one that I've been struggling with. Renting a new apartment to new people, there are always issues with them using considerably more hydro than the last people, or the people who will come after them, and trying to manage that.

I understand that they're trying to reduce hydro rates right now, but to not be able to include that—natural gas goes up; all those things—it makes it difficult for a landlord to try to recoup the costs and make the house profitable, which then will lead a landlord to actually wind up—

The Chair (Mr. Grant Crack): Okay, thank you very much. We're going to move now to the third party. We'll move to Mr. Hatfield.

Mr. Percy Hatfield: Derek, my name is Percy Hatfield. I'm a New Democrat from Windsor. Where are you calling from?

Mr. Derek Schmidt: From Thunder Bay.

Mr. Percy Hatfield: Thunder Bay. How many units do you have?

Mr. Derek Schmidt: I have nine units.

Mr. Percy Hatfield: How long have you been a landlord?

Mr. Derek Schmidt: Since 2008.

Mr. Percy Hatfield: Your tenants: Are they usually students, families? What are they?

Mr. Derek Schmidt: It's a mix right now between families, working professionals and, yes, students and families.

Mr. Percy Hatfield: How many evictions, in those nine years, have you gone through?

Mr. Derek Schmidt: Probably six or seven, but not all through the Landlord and Tenant Board. Lots of times, I'll just give people money to move out.

Mr. Percy Hatfield: How many times have you gone to the Landlord and Tenant Board?

Mr. Derek Schmidt: I believe it's three times.

Mr. Percy Hatfield: When you do your annual rent increases, how much do you jack up your rent?

Mr. Derek Schmidt: I try not to give people rent increases. With a lot of the units, I have frequent turnover, so at that time, I'm able to increase the rent. But with some of the families, I feel that unless there's a huge increase in bills, I try not to give them any increases.

Mr. Percy Hatfield: Are you a member of any landlord associations?

Mr. Derek Schmidt: Yes, I joined the Ontario Landlords Association. It's an online forum, just to be able to see issues that other people are dealing with and get advice.

Mr. Percy Hatfield: What's the vacancy rate in Thunder Bay? If someone moves out, how long before somebody moves in?

Mr. Derek Schmidt: It depends on the time of year, but if it's not January to March, I can usually get somebody in within a month.

Mr. Percy Hatfield: You said, I think, that you lost out on \$25,000. How did that happen?

Mr. Derek Schmidt: I don't know if it was collusion between all three units, but all of a sudden, they stopped paying rent. Trying to go through the Landlord and Tenant Board process and filing the forms, I think it was at least a month, or maybe a month and a half, before I was able to even get a hearing. Then we got a hearing, and none of them showed. They came back with an appeal, saying that I had told them not to show, which I hadn't. Then they got to re-appeal. Just through the whole rigmarole and then calling the sheriff, it took eight months and countless money.

At the same time, I'm paying for the mortgage and the utilities, and I'm losing that rent, and I'm paying for the sheriff to eventually evict them, and I'm not able to get anything through the Small Claims Court because they were on OW, and I'm also unable to find them and get their wages garnished.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Grant Crack): Okay, thank you very much. We'll move to the government side: Ms. Vernile.

Ms. Daiene Vernile: Good afternoon, Derek. This is Daiene Vernile. I am the MPP for Kitchener Centre. I want to thank you very much for calling in and sharing with us your lived experiences this afternoon.

Mr. Hatfield, the person before me, actually asked lots of questions that I was going to ask. We share a similar background. We were both working in broadcasting, so I guess that was the interviewer coming out, Percy.

Derek, just a few questions for you—and I feel your pain. My parents, for a long time, had a rental property in north Toronto. That's where they currently live. Over the course of 25 years, they had some good tenants and then they had a couple of bad ones. When they finally decided to get out of the business of renting out this rental home they had, there was a motorcycle gang in there. It took months to evict them. They weren't paying their rent and they had completely trashed the place. So I feel your pain in all of this.

I just want to describe for you where you're calling in to right now. There are a number of government, NDP and Conservative MPPs sitting around a table with our Chair, our Clerk and our researcher, and we've got a number of people sitting in an audience. You have a captive audience here right now, Derek.

I want to ask you to share with us your top three suggestions on how you would like to improve the current situation.

Mr. Derek Schmidt: My top three suggestions would be just making the Landlord and Tenant Board process more efficient, so that you could actually use it to evict tenants or to address problems with tenants. Essentially, I would never want to use it because of the inefficiencies and because of the expense and the likelihood that I won't recoup the expense from going—

Ms. Daiene Vernile: Let's drill down on that. You say make the process more efficient. What, precisely, would you like to see?

Mr. Derek Schmidt: I know in Thunder Bay they fly in somebody. But to somehow have a teleconference with a mediator that you could do as soon as the period ends—say the 14 days after I've given the failure-to-pay-rent notice or whatever, then to be able to get on the phone with somebody and start to work out the process so that months later I'm not still trying to have a hearing scheduled here.

Then there's the waiting period. I understand that. It's for tenant protection and them trying to be able to get money and appeal. Even with the court enforcement officer, it's just like, "10 days, 10 days, 10 days," but everything takes longer than 10 days.

I would like to be able to be clear about suggestions, but somehow making that process condensed—

The Chair (Mr. Grant Crack): Thank you very much, Mr. Schmidt. We certainly appreciate your input this afternoon, and we wish you well up in Thunder Bay.

Mr. Derek Schmidt: Thank you. You guys have a good day.

HAMILTON AND DISTRICT APARTMENT ASSOCIATION

The Chair (Mr. Grant Crack): Next we have, from the Hamilton and District Apartment Association, Arun Pathak, who is the president. We welcome you, sir. You have up to five minutes for your presentation, followed by nine minutes of questioning. The floor is yours, sir.

Mr. Arun Pathak: Thank you. My name is Arun Pathak. I'm the president of the Hamilton and District Apartment Association. I've also been in this industry for 32 years in the Hamilton and Burlington area.

The Hamilton and District Apartment Association represents the owners/managers of over 30,000 units, but the difference between our association and some of the others is that Hamilton is, to some extent, a poor man's city. When people can't afford to rent in Toronto, they move to Hamilton. People who can't afford to invest in Toronto also move to Hamilton.

Some of our members are not large landlords. Some of them are, but a lot of them are small landlords. They may be electricians, carpenters, teachers. They are in various other industries, and this is their retirement plan. We have to remember that we're not just dealing with large corporations.

I want to start with some general comments about the industry. We need to support rental housing because more and more people want to rent. Renting is greener; labour mobility is better; renting is good for the economy; there's less traffic gridlock. We need to support rental housing.

There's a misconception out there that it's landlords and tenants against each other. I want to tell you that that is not the real story. The real problem: If a tenant is creating a disturbance or noise, that's affecting other tenants. If a tenant is vandalizing property, that's deteriorating the property for other tenants. We all know there have been signs up in stores for years and years that say, "Everybody pays for shoplifting." Let me tell you, the same thing happens in the rental housing industry. In my building, if one person doesn't pay his rent, that is paid for by the other people in that building. That loss of income reflects a loss in the money I have available for new appliances or painting or whatever else is necessary. We need legislation that prevents bad tenants from gaming the system. We need to fight against both bad landlords and bad tenants. The fight is actually between good people and bad people and not between landlords and tenants.

We're not going to get a gift from somewhere outside of the country to build the rental housing we need. The province doesn't have enough money, I don't think, for all the housing needed; the federal government doesn't. We need the rental housing industry to build new rental units.

1550

Budgeting for major renovations is not easy. The city of Hamilton and Toronto Community Housing have vacant units because they don't have enough funds.

It's not any easier for the private landlord trying to budget for major expenditures. It's a struggle out there.

We need new construction and we need major renovations. The money has to come from rents. There's nowhere else that money can come from, and if that money isn't there, there will be no new construction and the current buildings will decline. They will not be maintained. The money cannot come from anywhere else; it has to come from the rents.

Economic theory is quite clear that rent controls don't work in the long run. We need a system of rent modulation to control the peaks and valleys, but in the long run, rents have to support the industry or the industry will deteriorate and buildings will fall into disrepair and get boarded up.

Last year, we were very encouraged. There was small-landlord consultation, "What can we do to improve the system?" We were so encouraged that here was a government that was looking to do the right thing. They

were asking questions and they were going to go the right way. We didn't hear anything more about that, but this suddenly comes and hits us.

We need a long-term solution. Everything here is very short term. It isn't going to help tenants in the long run.

Some of the things that are planned—the 1991 exemption is being called a "loophole" in the papers and here and there and everywhere. It wasn't a loophole. It was planned to improve and encourage new construction. And it did do that. It took a while because originally people thought, "Oh, this might disappear." So we were a little bit cautious. It took time, but now we're definitely seeing it.

Hamilton is a city that really needs that new rental construction. It's an old city, and a lot of the rentals are in duplexes and triplexes that are in old homes.

The Chair (Mr. Grant Crack): Thank you very much. Sorry to interrupt. It's not the fun part of my job, but that's the way it works. Mr. Hatfield?

Mr. Percy Hatfield: Welcome. Thank you for coming in. How many members in your association?

Mr. Arun Pathak: We've got about 250 members.

Mr. Percy Hatfield: Two hundred and fifty. What's the average number of units?

Mr. Arun Pathak: I don't have an average number of units. It varies so much. We've got some of the largest landlords and we have a whole bunch of smaller landlords.

Mr. Percy Hatfield: Some 30,000 total?

Mr. Arun Pathak: Somewhere in that region, yes.

Mr. Percy Hatfield: Did I just read into what you were saying: Are you suggesting that the government needs some kind of fund for private landlords for renovations, either a loan or a grant?

Mr. Arun Pathak: No, I'm not suggesting that. I'm suggesting that rent levels should be set so that they can recover the cost. At one point, the guideline used to have 2% for minor capital expenditure. The current guideline is insufficient to keep up the buildings, so the guideline needs to be higher.

I know that there are a lot of people who are suffering out there. We have a lot of tenants in our buildings who are in ODSP, Ontario Works and pensions, and those people need help. We need a portable shelter allowance that's universal across the province or across the country. We need help for poor people, but we need a balanced rental housing market that can sustain itself, support itself and create new rental housing.

Mr. Percy Hatfield: Even with a portable housing allowance, if a landlord increases the rent, then the tenant doesn't have any money to pay for the increase unless it's an unlimited portable housing allowance.

Mr. Arun Pathak: It needs to be adjusted for rent levels. There's a guideline—

Mr. Percy Hatfield: But where's the tipping point? How much can you get from a tenant if the tenant doesn't have any more income to pay rent?

Mr. Arun Pathak: I can't control the tenant's income. I have to provide a certain level of service. I have

to do a certain level of maintenance. I have certain costs. I have to go in and fix vandalism. I have to do that. Where do you expect me to get the money from, if it's not from rents? It has to come from the rents.

If people on low incomes need assistance, you can't just throw that on the shoulders of the landlords. That has to be borne by all of Ontario or all of Canada. Social services should be funded by the general tax levy, not by landlords.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Grant Crack): We'll move over to the government side: Mr. Colle.

Mr. Mike Colle: Thank you very much for coming, Mr. Pathak. You're so right about Hamilton being an affordable safe haven for people. I know for many years newcomers to Canada would settle in Hamilton because of the affordability and the availability, whereas in the GTA proper it was much more difficult. I think Hamilton has really provided reasonably priced rents for a few decades, that I'm aware of. Thank you for being part of that. We don't underestimate the contribution that Hamilton landlords have made and the city of Hamilton has made. I just wanted to recognize that.

We've seen the explosion of house prices in Toronto and we've also seen sporadic cases of huge rent increases, especially in some of the new-build rentals or condominiums. Has that been happening in Hamilton? I know there's been a bump-up in real estate prices, about 20%, if I'm not mistaken, in the last year in Hamilton.

Mr. Arun Pathak: Yes, real estate values have gone up. Hamilton does not have the same level of new construction that Toronto or other cities have. We don't have as many condominiums as Toronto. We don't have as many new purpose-built rental buildings built. We're desperately in need of those, but rent levels were too low to justify those. We're just getting to the tipping point right now where Hamilton is starting to build new rental housing, and suddenly, the loss of the 1991 exemption is going to shut that right down.

Hamilton tenants are going to be the worst-squeezed in this province, I feel, because we're getting the house prices going up and we're getting the homes that were duplexed turning back into single-family homes being bought by people from outside Hamilton. I think Hamilton tenants are going to face one of the worst squeezes possible.

Mr. Mike Colle: Yes, and I think you've made some very interesting points there about the fact that the reason why there wasn't new-build rental in Hamilton is because of the very moderate to low prices for rental units in Hamilton.

Mr. Arun Pathak: Right. You need a certain level of rents in the current buildings. The new builds will be slightly higher, but there has to be a small margin between the two. If you've got one set of tenants who are paying \$800 and in new builds they're paying \$2,800, you're not going to rent those. So those two things have to be fairly close for the new builds, and we've just reached that point. There are new builds. There are new builds planned—

Mr. Mike Colle: They're starting.

Mr. Arun Pathak: —starting—and now, suddenly, with this one stroke of a pen, getting rid of the 1991 exemption, they're going to go out the window.

Mr. Mike Colle: The other thing about the 1991 exemption: I can imagine the industry not building—because they're leery about the policy being permanent—for 10 years, 15 years, but why the 25-year wait before they started? I think they just put some online the last couple of years. Why such a long wait for new builds if you say it was because of the concern that it wasn't a permanent exemption?

Mr. Arun Pathak: Well, that was one of the first concerns. There's also that planning apartment buildings and building apartment buildings is a long, drawn-out process. For something that's being built today, the planning might have started 10 or 15 years ago. This is a very long-term industry and the investment is very long-term, so sudden changes really upset the cart very badly.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it. We'll go to Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. I think we can all agree that the biggest issue in the bill that we're talking about now is the adding of the rent control onto units built since 1991. I don't think there's much debate that that's one of the big issues. But if we get past that issue, what do you think we could be doing to help solve the problem that we don't have enough rental and we have the rents fluctuating too much and going too high so people can't afford to pay the rent they're paying? What would be your recommendation that the government needs to do?

Mr. Arun Pathak: The 1991 exemption could be replaced with either a rolling exemption or a higher cap, so there are various things there. The other thing that completely blows my mind is the above-guideline increase for utilities. If your gas bill goes up, who are you going to pass it to? If there's an increase in utilities, the people who are using those utilities should face the increase. To pass that onto somebody else—I don't see the logic of that. That's a very big thing.

1600

The other things—even those are significant. The tax on vacant units: The city of Hamilton has a whole bunch of vacant units. Are you going to start taxing them? Is the city going to pay tax to the province? There are vacant units for various reasons, so that is a bit ridiculous.

The landlord's own use: People are going to stop buying something if they think that, "I'll be able to move into in a couple of years or something, and I'll rent it for a couple of years." Those people will stop investing and those units will be lost.

So it's not one thing; it's the whole thing.

We need to make the Landlord and Tenant Board system better, fairer, faster. People can apply to Divisional Court after they've been through the Landlord and Tenant Board, and suddenly the landlord is stuck for months and months not collecting rent. It takes so long. We could streamline that system.

The system is protecting the bad tenants. The good tenants pay their rent every month. They pay by pre-authorized payments or they give a money order at the beginning. It's the bad tenants who are being protected by a bad system, and that is costing the good tenants both money and aggravation. We need to protect the good tenants by taking the protection away from the bad tenants.

Mr. Ernie Hardeman: Thank you.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Pathak, for coming before committee this afternoon and sharing your insight; much appreciated.

Mr. Arun Pathak: Thank you.

FEDERATION OF RENTAL-HOUSING PROVIDERS OF ONTARIO

The Chair (Mr. Grant Crack): Next, from the Federation of Rental-housing Providers of Ontario, we have the chief executive officer and president, Mr. Jim Murphy. Welcome, sir. You have up to five minutes for your presentation.

Mr. Jim Murphy: Thank you very much, Mr. Chair. Good afternoon. My name is Jim Murphy and I am president and CEO of the Federation of Rental-housing Providers of Ontario, or FRPO, as we call ourselves. FRPO represents those who own, manage, build and finance residential rental homes. FRPO has led the rental housing industry in Ontario for nearly 30 years and represents some than 2,300 members who own or manage over 350,000 rental households across the province.

In the time allocated to me this afternoon, I want to highlight five key areas in Bill 124, which is before you today, and their effect not only on rental housing providers in Ontario, but how they will adversely affect housing supply at a time of low vacancy rates.

First, let me address the 1991 exemption that was talked about. This exemption from rent control for new rentals was introduced by the NDP government of Bob Rae in 1991. They understood, as do all analysts in this field, that one had to provide certainty and a positive investor climate for new rental construction. It was a policy followed by successive governments of three different political stripes for 26 years.

Some say it did not work. They are wrong. Last year in the Toronto area we had a 50% increase in new purpose-built rental construction. According to one report by Urbanation, which is a consulting firm here in the city, there are over 28,000 purpose-built rental units in the pipeline to be built, and we see a number of those projects in the city right now. The change to end the 1991 exemption puts all of those projects at risk. How does that benefit tenants? How does less supply and less choice benefit tenants?

A FRPO survey shows that 20,000 purpose-built rental units are now under review, representing roughly \$6.5 billion in investment. Yes, some of those projects will proceed because they are further along in the planning approval process. One developer in Toronto, Brad Lamb, has announced he is cancelling seven rental projects.

Another of our members from the Hamilton area has decided to convert a rental project in Ancaster into a condominium. One of our amendments to you today is that the government should track the impact of this legislation on new purpose-built rentals.

The tragedy of the 1991 exemption is that we provided alternatives to the government to meet its political problem. No one supports the doubling of rents. A cap or a rolling exemption would have allowed the government to solve its political problem and still allow purpose-built rentals to proceed. The government chose not to accept it. They did not even respond. You have our March 30 letter to the Minister of Housing.

Second, I want to address the banning of above-guideline increases for utilities. Simply put, this is very unfair. Utilities in rental projects cover hydro, gas and water. We all know the story of rising hydro rates in the province. Yes, we all want to be efficient, and our industry has been. But who is to say where hydro and natural gas prices will be in three, four, five years from now?

That doesn't also affect water. Here in the city of Toronto, water rates are going up 5%. In the last couple of years, they've gone up 8% annually. How is it fair that rental housing providers cannot apply to the Landlord and Tenant Board, the LTB, to have those costs included? What is fair about that, when rents are capped at 1.5%?

We've provided amendments in our submission for this section of the legislation also, to allow sub-metering of those units that are electrically heated and also to allow for above-guideline increases for water increases. We're also suggesting that our members be able to appeal TSSA decisions on elevators, similar to the ability for our members to appeal audits from the city of Toronto.

Third, I wish to address the issue of evictions for personal use. In a nutshell, this will hit small landlords the most: those condominium owners who have one or two units, or small landlords who have a fourplex. Many condominium owners will soon discover they will not be able to evict at all because the government is saying no to corporations if they're incorporated as a numbered company. Many condo owners have their investments in a numbered company for tax reasons. They buy a condo, maybe for their child who will attend a university in five or seven years. This measure applies to small landlords, and they'll be forbidden from doing that and the investment that they've made in that condominium unit. We have provided an amendment for this section of the legislation that incorporates the concept of beneficial use.

I think it's important to note, as a previous speaker did, that the government a year ago undertook massive consultations on assisting small landlords. Both the eviction and the above-guideline increase on utilities affects small landlords the most adversely. It's quite ironic that a year later, it has changed that dramatically.

An important issue to watch over the next several months is the impact that this legislation will have on the condominium market. With 30% of condos rented, and upwards of 50% of new condominium developments

purchased by investors, will the demand slow, putting at risk unionized jobs and much-needed tax dollars for all levels of government? Will existing owners of condominium units who rent them put those units on the market, thereby reducing the rent supply even further because they can't cover their costs? Again, how do fewer units help rental supply? How does it help tenants? It doesn't.

Fourth, I wish to address the issue of the standard lease that's also in the legislation. FRPO does not support a standard lease. At a minimum, the government must allow for specific clauses to be added by rental housing providers that are unique to their properties—for example, insurance, which can vary from project to project or unit to unit.

Related to this matter, the measures state that the tenant must have received the lease in 21 days. This will create further issues as many tenants do not have email and leases will have to be mailed, further reducing the 21-day period.

The Chair (Mr. Grant Crack): Thank you very much. Sorry.

We'll start with the government side: Ms. Des Rosiers.

M^{me} Nathalie Des Rosiers: Thank you very much for coming, and thank you for providing such a coherent exposé. You know that there are also some arguments that we should deal with vacancy decontrol. I assume that vacancy decontrol is something that you support. Can you explain what it does for you?

Mr. Jim Murphy: Yes, it's certainly something we do support. It is something that allows a rental housing provider, if a tenant moves out, to charge the rent at what the market may bear.

M^{me} Nathalie Des Rosiers: Is that a policy that actually helps you deal with ensuring that it's at market rate?

Mr. Jim Murphy: It certainly is a policy that assists rental housing providers, absolutely.

M^{me} Nathalie Des Rosiers: I think you mentioned a little bit the way in which the process at the Landlord and Tenant Board should be streamlined. Did you find in the legislation that there was some attempt to—

Mr. Jim Murphy: I think a lot more needs to be done. Your first speaker, from Thunder Bay, talked about how he doesn't even go to the Landlord and Tenant Board anymore because of the effect—and, again, that's on a small landlord. It can take up to a year to have these hearings heard. If you look at small landlords and the owners of condos who have one or two units—they're going to discover this whole system. And to be honest, this system was never set up for tens of thousands of condominium owners. The system is just going to be overwhelmed in terms of delays. It's already delayed.

M^{me} Nathalie Des Rosiers: Thank you.

The Chair (Mr. Grant Crack): We'll move to the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much, Jim, for coming in and making a presentation. We've heard, again, the number-one issue with your organization, of

course, is putting rent control on new construction since 1991.

I met with some people who said that the exemption in 1991 did not create new supply. How would you answer that? They came in and said, "Here's a graph, and it shows that the supply didn't increase in 1991."

Mr. Jim Murphy: I would answer it, Ernie, in two ways. One, we've seen a significant increase, at least in the Toronto area, in the last year or two—a 50% increase last year. And the reference to the Urbanation report: about 28,000 in the pipeline. Is the exemption the only reason? No. But certainly it's very important. We did a survey of our members. Low interest rates were one thing, but the exemption was also very important.

The other thing I would say in answer to that is that we've had tens of thousands of rental units created since 1991. They're called condominiums.

So 82% currently of renters in Ontario are already covered by rent control. This will extend it to the further 18%. But those weren't covered necessarily. We'll see what the impact is. It was a valve to allow supply, and our whole argument is about supply. I think the government is interested in supply. We don't know necessarily what the impact on that is going to be. But I would argue that there are tens of thousands of rental units that were constructed. They were called condominiums.

Mr. Ernie Hardeman: What impact do you think this is going to have on the small landlord? You talked about them being different.

Mr. Jim Murphy: First of all, the government was interested in dealing with small landlords last year. This bill, on two measures—the above-guideline increases for utilities, which will hit small landlords the hardest. A fourplex won't be able to pass along any water, hydro or natural gas increases.

1610

Also, the exemption for personal use will hit small landlords the most. So this will be adverse to them. As I say, I don't think some of them know what the impact is going to be. We're going to see stories in three, six or nine months saying a condominium owner won't be able to evict anyone because they have a numbered company and they're stuck with a tenant. They won't even be able to use it for personal use. That's wrong.

Mr. Ernie Hardeman: Thank you.

The Chair (Mr. Grant Crack): Mr. Hatfield.

Mr. Percy Hatfield: Eviction for personal use on small landlords—would you suggest an amendment put a cap on the number of units that this would come into effect? What would that cap be?

Mr. Jim Murphy: We provided some amendments to you in your package. That's one way that you could look at it, absolutely—to say it could affect, say, four or six less if you're looking at small landlords.

The other thing that we've provided is—we talk about an exemption for corporations that have beneficial use. Beneficial use is if an individual—if I'm owning a condominium unit, and I'm the majority, I'm a single owner, but I've just set it up into a corporation for tax

reasons, but I'm really the only person who's owning it, in terms of that numbered company.

I currently rent, actually, in the city of Toronto, and I pay my rent not to the individual who owns it, but to a numbered company. So it's now going to be very difficult for my landlord to evict me, which is kind of interesting, in terms of how that's going to happen. He has to pay me a month's rent now too.

That was our proposal that we put in in terms of the amendment.

Mr. Percy Hatfield: If you were going to suggest an amendment on a rolling exemption going back to the 1991—where would you start it?

Mr. Jim Murphy: We provided the government with two options. We provided a cap of up to 10%; we could have sat down and negotiated with the government on that. That would have avoided a 30% or 40% increase, never mind a doubling of rents.

The second thing was a rolling exemption. We provided 20 years—and I'll quote Mr. Colle, who said 10 or 15 years. You do need certainty. Investor certainty is important. Now everybody is looking at those projects, as our survey said.

Both of those things, I think, would be positive to assist with new purpose-built rental. When I say "purpose-built rental," I mean those apartment buildings, when you're walking around or driving around, that you think are professionally managed apartment buildings.

The Chair (Mr. Grant Crack): Thank you, Mr. Murphy, for coming before committee this afternoon. It's much appreciated.

Mr. Jim Murphy: Thank you.

TORONTO REGION BOARD OF TRADE

The Chair (Mr. Grant Crack): Next, from the Toronto Region Board of Trade, we have policy manager Mr. Jeff Parker, no stranger to Queen's Park.

Welcome, Mr. Parker. You have up to five minutes.

Mr. Jeff Parker: Good afternoon, Chairman Crack, honourable members and, of course, our ever-helpful legislative staff. I'm Jeff Parker, manager of policy for the Toronto Region Board of Trade. Thank you for providing me with the opportunity to appear before the committee to present the board's position on Bill 124.

The board is the chamber of commerce for Canada's largest urban centre, connecting more than 12,000 members, business professionals and influencers throughout the Toronto region. The board seeks to make Toronto one of the most competitive and sought-after business regions in the world.

Today, one of our key competitive challenges is ensuring a sufficient supply of housing for our skilled workers. It is the supply of housing that the board believes should be the principal concern for policy-makers here at Queen's Park and at city hall.

In the city of Toronto alone, 80,000 people are moving in every year. As we noted in our op-ed in the Toronto Star last Thursday, which is attached to your package

from us, we should be building about 30,000 new homes in a typical year to house that influx of people, but we're building fewer than 2,000, on average.

If you want to know why housing prices in Toronto are increasing by 20% to 30% in a single year, look no further than the chasm between supply and demand.

Over the past weeks, and in those to come—the board of trade will continue to advocate for sensible policies which will help to increase the supply of housing. These include:

- changing existing taxation and condominium legislation to allow purpose-built rentals to access new types of financing from investors, including upfront deposits;

- amending existing zoning and planning rules to add just one laneway house, coach house or duplex per hectare in areas currently zoned for detached homes. If you added only one additional ground-level home, you could house an additional 45,000 people in the city of Toronto alone; and

- finding ways to speed up the permitting process for new home construction. As you've already heard and will continue to hear, there are a number of delays that can cause over a decade between the first permit and the final construction of a home.

In contrast, we're concerned that Bill 124, which seeks to enact, in part, the government's Fair Housing Plan, does not have that same singular focus on increasing housing supply. In fact, Bill 124's expansion of rent control may have the opposite effect.

While the expansion of rent control will bring some relief to existing tenants, the board is concerned that it will reduce incentives for developers to increase much-needed supply. Just last week, as we just heard from the previous presenter, the Federation of Rental-housing Providers of Ontario reported that 20,000 future rental units are now in danger of being cancelled or turned into condos because of the policies contained in this bill. Without a focus on increasing the supply of housing in the Toronto region, no amount of rent controls, non-resident speculation taxes or other demand measures will solve the problem.

Ideally, we would prefer that the government would not pursue this policy. However, if the government is committed to moving forward, then we recommend the following amendments.

First, add a new section 2.1 to the bill stating, "The minister shall table an annual report with the assembly on the progress of the Fair Housing Plan. This report shall include the number of new rental units that have been constructed in each municipality of the province in each of the previous five fiscal years." Part of the difficulty in crafting good housing policy is the lack of transparency and the lack of good data—a problem that should be corrected and not continued. An annual report will provide the assembly and the public with the information necessary to amend this legislation in future years, if required.

Second, add a new section 2.2 to the bill stating, "Unless renewed by a vote of the Legislative Assembly,

section 2 of this act will remain in effect for five years following the date of proclamation.” We believe that adding a sunset clause to this section of the bill that expands rent controls strikes a balance between concerns about the impact on housing supply and the desire to provide relief and cost certainty to existing tenants. The board believes that a five-year period is sufficient to determine the effects of expanded rent control on the supply of housing and decide whether the measure is still needed.

Third, remove section 22 from the bill. Section 22 eliminates the ability of landlords to ask for an above-guideline rent increase based on “an extraordinary increase in the cost for ... utilities.” This amendment would preserve the current version of section 126 of the Residential Tenancies Act, which appropriately leaves the decision with the Landlord and Tenant Board. Given the rapid increase in electricity prices over the past decade and the risk of further price increases to come, the legislative framework should not require that this entire risk be borne by the landlord. The Landlord and Tenant Board is the appropriate place to determine the division of such costs.

Similarly, although it’s not included in this legislation, the government should immediately amend Ontario regulation 516/06 to distribute the costs of cap-and-trade more evenly for the same reasons that we urge you to remove section 22 from this bill.

Finally, although it’s not part of Bill 124, point 6 of the Fair Housing Plan promises to end current unfairness and ensure property tax for multi-residential apartment buildings is charged at a similar rate as other residential properties. As part of a broader effort of property tax reforms, we encourage the government and the Legislative Assembly to take the next step and apply these tax changes to existing rental buildings to ensure a level playing field.

The board is very pleased to see that honourable members focused on addressing the pressing challenges of housing, particularly in the Toronto region. To be truly effective, though, it’s time to focus on the one thing that can make a real difference: supply, supply, supply. Thank you, Mr. Chair.

The Chair (Mr. Grant Crack): Thank you very much.

We’ll start with the third party: Mr. Hatfield.

Mr. Percy Hatfield: And the tenants say, “I demand, I demand, I demand fair rent,” not “supply, supply, supply.”

Jeffrey, welcome back. Now you’re working for big business and big companies—companies that can’t function without employees; employees who can live somewhat close by to where they’re employed; employees who, I would hope, at some day, would get at least a \$15 minimum wage. But unfortunately, as you read in the paper, rents have gone up \$1,000 a month—30%, 40%. How are you going to maintain a steady labour force when you’re forcing people out of town?

Mr. Jeff Parker: The board is concerned that you’re not going to be able to maintain a steady labour force if

you can’t house the new workers coming to town as well, Mr. Hatfield. Part of the problem is that we’re simply not building enough rental units in the current circumstances. If we’re not building enough right now, how bad is it going to be if we make it even worse for rental provision for new workers?

As I’ve said, we’ve got 80,000 people coming into the city of Toronto. It’s about 120,000 in the greater Toronto area. That’s like adding the city of Kingston to the Toronto region every single year. We need new housing for these people as well.

We need to find a way to strike a balance. Our previous speaker gave a couple of ideas on ways you could do that without completely throttling the rental market. That might be something you would want to look into.

But I would say that the biggest concern and the reason that you can charge such high rents and have these increases is that you simply don’t have enough options. If you only have one place to live, you’re at the mercy of the landlord. If there are many, many places to live because we have a reasonable supply of housing, that’s going to bring costs down for everyone and not just for people who are currently in existing rentals.

Mr. Percy Hatfield: You’ve learned well here, Jeffrey.

Mr. Jeff Parker: Thank you, sir.

The Chair (Mr. Grant Crack): We’ll move to the government side: Mr. Anderson.

Mr. Granville Anderson: Hi, Jeffrey. How are you?

Mr. Jeff Parker: I’m doing all right, Mr. Anderson.

Mr. Granville Anderson: So you’re right at home, I see.

Mr. Jeff Parker: Yes, it’s nice to be back. It’s good to see all of you.

1620

Mr. Granville Anderson: Good, good, good. My question to you is: Why should we maintain a two-tier rent control system when it obviously isn’t working because there isn’t enough supply to meet the demands?

You’re saying at the same time that rent control will stifle growth, but it’s not happening now, and there is basically no control over it. How would that really stifle growth? Can you expand on that a bit for me?

Mr. Jeff Parker: Yes, that’s a really good question, Mr. Anderson. What we’re seeing right now is that—and the last couple of speakers have given some indication—there has been some progress in building new rentals. But what we’re seeing in our conversations with members of the board, with our stakeholders—part of the problem is, it’s not simply rent control that is an issue, although we’re worried about it making it worse. There are a number of other provisions. For example, right now, it’s far more profitable for most developers to develop a condominium than it is to develop purpose-built rental.

You’ve got that op-ed in front of you. One of the things we go after in that op-ed is finding ways to make the financing provisions more fair, the taxation provisions more fair, so that there are more incentives to build these rentals.

It is not simply a debate about rent control. We are concerned about it. It's about a wider debate about what we can do to make it easier to build rentals quickly.

I think it would be wrong to say that rent control is the only issue. We are very concerned about it. We don't think it's necessarily the best approach. But we also need to solve the issues of financing, taxation, permitting. There's a wide range of issues that we can solve, and we'd love to work further on this with you.

Mr. Granville Anderson: Thank you, sir.

The Chair (Mr. Grant Crack): Thank you very much. We'll move to the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. We've heard, since this bill was introduced, quite a bit about the rent control part of it being imposed on the since-1991 buildings. But the reason this whole thing started was because of the housing portfolio, primarily in Toronto but across the whole province—the escalating price.

The rent issue, as important as it is—and it could very well be the most important issue—this bill has very little impact on the rest of the housing, which is going up by leaps and bounds in cost. What can we do collectively to curtail that?

Obviously, so far, from my perspective, nothing in this plan will do anything to help build more of anything. Could you comment on that?

Mr. Jeff Parker: Definitely. I know I might sound a bit like a broken record, but I keep going back to the statistic that I've used in my presentation and that we use in the op-ed: 80,000 new people coming in. We need about 30,000 new homes, everything from condominiums to single-family homes, to house just the influx of new people. That's just the new people who are coming this year into the city of Toronto. We're building around 2,000.

That is such a massive mismatch that until we get a much better pipeline of housing supply—and of all types, because it's not just enough to build condo tower after condo tower. When you're youngish—I guess I can't call myself “young” anymore—a youngish person like myself, and you have a wife—my son is two, and you can't and don't want to raise your child within a one-bedroom condo in downtown. You want more space, more freedom.

There's a lot of different ways we can get at it. One of the really neat ideas that we've been working on with our partners is that idea of slight intensification in areas with single-family, detached homes. We know that in the past, trying to put up a seven-storey condo building or a seven-storey apartment rental in a single-family or a detached home neighbourhood is very difficult. You have a lot of concerns in the planning. But a great way to do it is to say, “We're just asking for one duplex. We're asking for one laneway house. We're asking for one coach house. We're not asking for something busy.”

That's a small-practice solution that could yield housing for almost 50,000 people in Toronto alone.

Apply that to the GTA, and we could see even more housing. These are the sorts of things that we need to be looking at.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Parker. Good to see you again, and thank you for your insight.

Mr. Jeff Parker: Thank you all very much. Good to see you.

The Chair (Mr. Grant Crack): We appreciate it.

Mr. Mike Colle: On a point of order, quickly: Can we find out how many people leave the city every year? We've got 80,000 coming in. How many leave Toronto every year?

The Chair (Mr. Grant Crack): That's not a point of order. Perhaps if we have time at the end, we can get to that.

BRENTWOOD TOWERS TENANTS' ASSOCIATION

The Chair (Mr. Grant Crack): Next, we have, from Brentwood Towers Tenants' Association, the president, Mr. John Plumadore. We welcome you, sir.

Mr. John Plumadore: Thank you.

The Chair (Mr. Grant Crack): You have up to five minutes for your presentation. The floor is yours.

Mr. John Plumadore: Thank you very much, Mr. Chair. Thank you for this opportunity of presenting.

If I may say to the Chair, I'm originally from Cornwall, Ontario, so I know your riding very well, Stormont and Glengarry. Even though I consider Toronto my home, my place of residence, Cornwall will always be my hometown.

Brentwood Towers is a five-complex building with 957 units. It's located in mid-town Toronto. We work with our landlord on many fronts pertaining to maintenance work orders and the like, but where we differ often is on the above-guideline rent increases. So I will be speaking to that specifically this afternoon.

We commend the government and the opposition parties for its changes in Bill 124 and in particular for changes in tenancy law, i.e. the 1991 provision; issues on building facilities; work orders; Landlord and Tenant Board hearings; above-guideline rent increases (AGIs) in particular; and overall tenant rights.

In particular I would like to address section 126 of the act, which states in part that evidence-based information is not required when the landlord applies for an above-guideline rent increase. The tenants have no documented evidence that the work needs to be done and no advance notice of the work being done, and in fact the work has been completed or well in the process of being completed before the Landlord and Tenant Board hearing has determined the outcome of the case. Tenants are broadsided at the hearing and are left searching for evidence that does not exist. Since when does the judicial system and/or the Legislature pass laws where no evidence is required in Ontario?

I present to you a case in point: SCL 40297-13, where a landlord in Ontario with buildings across the province has undertaken balcony replacements with no notice of replacement being given and/or evidence of the need for the replacement. The case has been outstanding since 2013.

The legislation under Bill 124 needs to include evidence-based information and advance notice of any capital expenditures before completed and presented before the LTB hearing. Furthermore, section 126.6 of the act needs to be eliminated, as it implies to the tenant/layperson, such as myself, that the landlord will be given the AGI even though the hearing has not taken place and the board has not ruled on the case and has set a rate of compliance.

In the case I referred to earlier, the AGI application has been in process for the past two years and thousands of dollars are owed to the tenants, even though the Landlord and Tenant Board ruled in their favour, from a 3% increase for balconies to 0.79%. They threw out the balcony project, as I understand it.

My complex has had at least 10 AGIs over the last 15 years, and we estimate that we have paid \$17 million in AGIs to the landlord, yet we don't know their profits and we have no way of finding that out.

Those are my remarks. I'm open to questions.

The Chair (Mr. Grant Crack): Thank you very much. It's much appreciated. You're the first one to present within the five minutes, so I thank you very much.

We will start with the government side: Madame Des Rosiers.

M^{me} Nathalie Des Rosiers: Thank you very much for coming and for sharing your experience. There are two provisions in the bill that you didn't touch on, and I'd just like to have your views on them.

There are provisions that attempt to limit a little bit the use of landlord's-own-use evictions. Was that a problem in your context?

Mr. John Plumadore: Not in our complex, but I know it's a number-one problem within the city of Toronto. I'm also chair of the Federation of Metro Tenants' Associations, so I'm aware of this to be the case.

M^{me} Nathalie Des Rosiers: Are the provisions in the bill sufficient for you? Do they meet the problem of abuse?

Mr. John Plumadore: Well, time will tell. The legislation is addressing it, but we'll see how that's carried out.

M^{me} Nathalie Des Rosiers: What do you think about the standardized lease? Do you have any comments on this?

Mr. John Plumadore: Yes, that's a very good move on the part of the legislation. In fact, FMTA had pushed for fair leases for many years. We're glad to see that this is going to come into place, because there were so many violations that the landlord was including in the leases—extra charges, for example. The tenants don't know otherwise because it's sort of in the contract. Our contract, for example, in our complex, is 11 pages long. You have to be a Philadelphia lawyer to understand it.

1630

Mr. Mike Colle: A Bay Street lawyer.

Mr. John Plumadore: Bay Street; sorry. Of course.

The Chair (Mr. Grant Crack): We'll move to the official opposition: Ms. Thompson.

Ms. Lisa M. Thompson: Thank you for coming in to committee this afternoon. I appreciate your perspective. Can you tell me again how many people live in your building? How many people are you representing?

Mr. John Plumadore: Roughly 2,000 people.

Ms. Lisa M. Thompson: Am I correct in making my notes, that in the last 15 years, you've experienced 10 AGIs?

Mr. John Plumadore: Yes.

Ms. Lisa M. Thompson: You represent 2,000 people. How do you feel when you hear from the previous speaker that a population the size of the city of Kingston is looking to move into the greater Toronto and Hamilton area every year? How do you feel about that and what flags immediately pop to mind as a tenant association?

Mr. John Plumadore: Could you capsule that question?

Ms. Lisa M. Thompson: Sure. How do you feel about 80,000 people coming into the city on an annual basis? You've cited a few concerns, particularly in the last two paragraphs of your submission. But when you hear of the influx of people coming into the city, what are your immediate thoughts?

Mr. John Plumadore: It's good for Toronto, I guess, from an economic perspective. But knowing what the housing situation is like in Toronto and in great parts of the GTA, it's concerning because they're not going to have affordable housing now; it will be rental housing. That's about all people will be able to afford, and the supply is not as great as it should be.

I'm pleased to see that some monies are being set aside for acquiring public lands to build affordable housing. I think \$125 million doesn't go that far, but maybe it's just the start of much more to come.

Ms. Lisa M. Thompson: Okay, that's fine. Thank you.

The Chair (Mr. Grant Crack): Mr. Hatfield?

Mr. Percy Hatfield: John, what's the average rent where you're living?

Mr. John Plumadore: A bachelor is roughly \$1,000, a one-bedroom is \$1,300 plus \$50, let's say; and a two-bedroom is \$1,600 and—I pay \$1,678 for a two-bedroom, plus utilities.

Mr. Percy Hatfield: And those average AGIs: How much are they normally going up?

Mr. John Plumadore: They're usually going anywhere from 2.5% to 3%, and it's all capital, in great part.

Mr. Percy Hatfield: How old are the buildings?

Mr. John Plumadore: The building is an older building. It was built in late 1959.

Mr. Percy Hatfield: So you've been somewhat protected, then?

Mr. John Plumadore: We have.

Mr. Percy Hatfield: Are there elevators?

Mr. John Plumadore: Yes.

Mr. Percy Hatfield: Are they always in service?

Mr. John Plumadore: We have all-new elevators. Well, we're paying for those elevators, but—

Mr. Percy Hatfield: Of course.

Mr. John Plumadore: —at \$3 million.

Mr. Percy Hatfield: In your opinion, are those 2.5% to 3% increases on the AGI—have they been warranted?

Mr. John Plumadore: We don't know, because we don't have the evidence. The landlord presents the facts only in the sense that we get one sheet estimating all of the items and the total amount and percentage they're requiring, but we have no evidence that this was needed.

Mr. Percy Hatfield: Who is the landlord?

Mr. John Plumadore: O'Shanter Development Co.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Grant Crack): We thank you, Mr. Plumadore, for coming before committee this afternoon.

Mr. John Plumadore: Thank you.

ADVOCACY CENTRE FOR TENANTS ONTARIO

The Chair (Mr. Grant Crack): Next we have the Advocacy Centre for Tenants Ontario. We have two staff lawyers, Dania Majid and Jonathan Ho, with us this afternoon. We welcome the two of you. You have up to five minutes for your presentation.

Ms. Dania Majid: Good afternoon. The Advocacy Centre for Tenants Ontario is a community legal aid clinic. Our province-wide mandate focuses on the advancement of human rights and social justice in housing for low-income Ontarians.

The issues addressed in the bill are central to justice in rental housing, and we applaud the government for bringing them forward. Our written submissions contain further details of the proposals for your consideration. Our comments today will focus on the provisions related to security of tenure.

We commend the government for the elimination of the post-1991 rent exemption. We also commend the NDP for repeatedly proposing this policy, most recently in Bill 106, put forward by MPP Peter Tabuns. When passed, 200,000 Ontario households will no longer live in fear of economic evictions.

The introduction of the mandatory prescribed lease form is a welcome and necessary protection for all tenants. Ontario will join every jurisdiction in Canada, other than Alberta, in having some form of standard lease. In our experience, it is industry practice for landlords to misinform tenants about their rights and obligations by using leases with illegal and misleading clauses. Our clause-by-clause study of the GTAA standard-form tenancy agreement confirmed this.

To protect tenants with pre-existing leases, once the standard lease comes into effect, the legislation should deem void any provisions of existing leases that are inconsistent with the standard lease.

Eviction for use by landlords and purchasers penalizes responsible tenants. As neighbourhoods gentrify and property values and rents increase, abuse of this provision appears to be growing and tenants are being evicted.

When the Court of Appeal decided that corporations could evict on this ground, multi-residential landlords began using it in a way that was never intended. For instance, the Divisional Court has upheld corporate evictions for a sole-shareholder corporation that owned 152 rental units, and for a condominium so the super-intendent could occupy the unit as the corporation's caregiver.

We applaud the steps proposed in this bill to refocus this section on real people who have personal needs, children, parents and spouses. We further recommend that:

If the residential complex has five units or more, the tenants should be paid an amount equal to three months' rent, which is consistent with the provisions for demolition and conversion in sections 52 and 54 of the RTA.

A presumption of bad faith should be created if the landlord advertised or re-rented the unit within the one-year period, even if the new rent is not higher.

You expand these provisions so the requirements apply equally to purchasers.

The person who intends to occupy the residential unit should sign the affidavit accompanying the application to demonstrate a good-faith claim.

With regard to affidavits, the board should not be allowed to dispense with the formal proof an affidavit provides in favour of a streamlined method that is more likely to be inaccurate or abused. This is one safeguard we should not give up in the name of efficiency.

Mr. Jonathan Ho: Turning to above-guideline rent increases: Elimination of extra increases for utility costs is a small but significant step to help keep housing affordable for tenants. Tenants will pay for any increases in utility costs in the following year as they are already included in the consumer price index, upon which the annual guideline is based.

We strongly agree that you need to do something about landlords' appalling records on elevator repairs. From our experience, we know that the board and courts do not recognize the importance of reliable elevator service to tenants. And why stop at elevators? We recommend that the restrictions on rent increases proposed in section 22 of the bill be applied to all outstanding municipal work orders and board orders related to disrepair of the residential complex.

Transitional housing being exempt from the act means there is no meaningful way for the occupants of this living accommodation to enforce the long list of specified requirements in the bill or ensure best practices are employed by the provider. There are real human rights implications when people who are fit enough to reside independently are protected by legislation while those who require supports are denied these rights. We believe the existing protections in the act, including the care home provisions, provide these rights and do not unduly interfere with delivery of these programs.

In conclusion, if you want to complete the job started here and make serious inroads into addressing the growing housing crisis, measures such as vacancy decontrol must be taken. The alternative is a commitment to build and subsidize enough social housing that it has a real impact on the vacancy rate and market rents.

The changes proposed in this bill will address some of the symptoms of this crisis and may stop things from getting worse in the near term, but you owe it to the people of Ontario to work with the other levels of government to implement a real housing strategy that addresses the needs of all.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate that.

We shall move to the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your comments. I liked your last comment best, about working together on a housing strategy to help the whole housing situation in the province. That's one of the things that I have been pushing for, for some time now. Piece-meal isn't going to work.

1640

You started your presentation about rent control being removed. A lot of people tell us that that will stop the development of rental units, that people will build condos or build rentals but not in Ontario. Could you make comment on that?

Ms. Dania Majid: Sure. We can definitely do that. Basically, the last 26 years have been a failed experiment. During those 26 years, we have not seen purpose-built rentals happening.

I have a statistic for you. From 1995 to 2012, approximately 3,600 purpose-built rental units have been constructed. Most of these units that have been constructed have been condominium units and only about a third of those go into rentals. Those tend to be rented at much higher prices and are not necessarily secure for the long term.

The other thing is, rental housing is what we call a form of market failure. I think one of your deponents tomorrow will be speaking more about the economics of that. But basically the problem is that renters' incomes have not increased as high as the rents have. As the rents climb, people's incomes do not match what the market wants to bear. As a result, there is a mismatch.

Developers are not building purpose-built rentals at these prices because the renters' incomes are not matching it.

Mr. Ernie Hardeman: But isn't that the same with home ownership?

Ms. Dania Majid: There is a problem with home ownership, and that's part of the pressures that are being placed on renters, because a lot of people who cannot afford to own their home are required to rent their home.

But the issue there too is because the incomes and the rents, there's such a disparity, people are not able to save their money to then put a down payment on a home, which leaves them in rental housing for much longer.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to Mr. Hatfield.

Mr. Percy Hatfield: Thank you for being here. I especially like the fact that you recognized the input that Mr. Tabuns had on this government bill.

In your legal aid clinic, what typical cases are you presented with when it comes to outstanding work orders beyond elevators?

Mr. Jonathan Ho: We operate the Tenant Duty Counsel Program; we staff all of the Landlord and Tenant Board cases across the province with tenant duty counsels to provide that on-site advice. Also, our legal clinic focuses on law reform and test case litigation.

Regularly, we deal with AGIs. I can tell you right now that we just finished working on an AGI decision. So you're asking for examples?

Mr. Percy Hatfield: Well, let me go past it; my time is limited. But you like a standard lease; the landlords don't like it. You like the fact that you can't charge the utility increase until the following year; you heard that the landlords don't like it.

Why do you think we're at this stage because of the cost of housing in Ontario?

Mr. Jonathan Ho: I think with respect to the standard leases, our written submissions provide more detail on our study. Unfortunately, it has become industry practice for tenants to expect that their leases will have illegal clauses. I can tell you, I also regularly work as a tenant duty counsel at the Landlord and Tenant Board, so I see these leases every day. There are illegal provisions, such as no-pet clauses—illegal charges—

Ms. Dania Majid: No children.

Mr. Jonathan Ho: —no children, and guest charges. These are illegal charges that are not only used by small-market landlords but also professional landlords, and it has become an industry practice. We applaud that Ontario is essentially going up to the standard of the other provinces in standardizing this lease.

Ms. Dania Majid: With the lack of affordable housing, the renters are willing to settle for anything, because they are so desperate for a unit and will sign anything put in front of them.

The Chair (Mr. Grant Crack): We move to the government. Madame Des Rosiers.

M^{me} Nathalie Des Rosiers: As you've heard, if you were here today, there's some pressure to go to either a rolling exemption or the argument that extending rent control will decrease supply. Can you help us in thinking about how to reflect on this? Why is it that we should resist this argument, in your opinion?

Ms. Dania Majid: Because you're right.

M^{me} Nathalie Des Rosiers: Tell us more.

Ms. Dania Majid: As we mentioned, the market pressures really are not in place to match the demand that developers want for these units. The incomes are not there. As a result of the gap, they're not building for—

Interjection.

Ms. Dania Majid: Yes, tenants who can afford these types of units. Really, if you want a healthy and vibrant

community, it has to be an inclusive one. You want people of all different economic backgrounds and professions to be able to live in a community of their choosing.

We know that long commuter trips have a detrimental impact. We also have to remember that rents and housing in areas surrounding Toronto have also drastically increased, with Hamilton being one of the fastest-growing cities in the Golden Horseshoe. We can't just keep pushing this problem further and further.

Let's look at the evidence. Let's look at the economics and what the market says. Really, we've had a 26-year experiment that has shown that with no rent control, we did not get the housing that was promised to us.

M^{me} Nathalie Des Rosiers: You've argued about security of tenure as being a core principle, which I agree with. That has been the core of my argument. You've pushed a little bit on limiting or dealing with the abuse of eviction for own use. One argument that came up was that maybe it's too severe. They could be individuals that have a corporate identity and, therefore, the idea was that maybe there would be a beneficial-use exemption. Have you thought about this? I don't know if you were here when this idea came up.

Ms. Dania Majid: I'm not sure if I heard the whole proposal. But, again, we hear about the mom-and-pop type of scenario, and the good-faith applications. There is no issue there. We think the act addresses that carefully.

What we have seen, through these court decisions, is the slippery-slope scenario, where we talk about the sole corporate shareholder. But that person has 152 units, and has to put their mother in that one particular unit? We have now seen the court's interpretation of these provisions in a way that was not intended by the Legislature. There's really no way the board or a tenant can verify who the corporate shareholders are—is it one, or is it more—and maybe how many units that landlord might have.

We're okay with the good-faith applications. It's how we deal with the misuse and the bad-faith applications, which are increasing with the increasing rents in gentrified areas.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate the two of you coming before the committee and sharing your insight.

Ms. Dania Majid: Thank you very much.

THE LUNG ASSOCIATION—ONTARIO

The Chair (Mr. Grant Crack): Next, we have, from the Lung Association of Ontario—no stranger as well to this beautiful House and building—the provincial manager of government relations and public affairs, Mr. Chris Yaccato. Welcome, sir. The floor is yours.

Mr. Chris Yaccato: Thank you, Chair, members, parliamentary assistants, Mr. Rinaldi. Thank you for allowing me to speak. Yes, my name is Chris Yaccato. I'm the provincial manager of government relations and public affairs. I'm here to talk to you about radon and smoking.

I'm going to read a snippet from a letter our president and CEO just sent to the minister the other day, expressing some deep disappointment that radon testing in multi-unit dwellings, to deal with second-hand smoke, was left out in the Residential Tenancies Act review and, subsequently, this legislation.

We are partners in helping all Ontarians live comfortably and healthy in their homes. We knew, and know, that this recent housing challenge, so to speak, that has come through Ontario—rising rents and so forth—had put a healthy home on the back burner.

The Ministry of Municipal Affairs and Housing, over the last year, as you know, has done tremendous work on looking at different avenues to protect tenants and homeowners, not just on costs associated with owning a home and living in an apartment, but rather their lung health, radon being one, and dealing with second-hand smoke.

1650

We knew that with this recent market, this may have been an issue they put on the back burner, and we're obviously disappointed. Tobacco smoke is linked to 13,000 avoidable premature deaths annually. It's a major cause of chronic obstructive pulmonary disease. The Ontario Tobacco Research Unit estimates that 800,000 Ontarians are exposed to second-hand smoke in multi-unit dwellings. Exposure to second-hand smoke can lead to the exacerbation of asthma and other long-term health problems. Implementing and expanding non-smoking provisions in tenancy agreements we think will help create more smoke-free units.

Radon gas, I think a lot of you know, is the leading cause of lung cancer after smoking, linked to 850 deaths in Ontario each year. Since radon is a dense gas, it tends to build up to higher levels in lower floors of houses and apartment units. With many rental units being located in the basement of a home, renters and families will be at greater risk of exposure to potentially high radon levels without their knowledge.

In order to protect landlords and tenants from these health risks, we supported actions over the years by the Ministries of Housing and Municipal Affairs to supply smoke-free and radon-safe housing ideas and concepts that you can consider, some of which we thought was going to be incorporated into the RTA review that is now before us. We even encouraged the ministry to take action to amend the Residential Tenancies Act so that landlords could deal with no-smoking provisions in leases and to support smoke-free housing to landlords, condominiums and housing co-operatives in an education/prevention way, and mandate radon gas testing of basement rental units and, if required, the mitigation of basement rental units with high levels.

Despite other competing demands, we do hope and expect some form of communication and outreach to groups like ourselves and the smoke-free housing coalition and others that have worked on this matter for some time, including CARST, the Canadian Association of Radon Scientists and Technologists, who, over the years, have also been working with ministry officials on the

radon matter. I think it was just that we expected a little more by way of communication. It's disappointing that we all came so far together, and then when you moved on it, wonderful, because something needed to be done, but a call would have sufficed to say, "You know what? We're going to hold this off, but let's take another avenue." That lack of communication was a concern.

I'm here to raise awareness that we know that you guys didn't move on this. There's still a chance, of course, to make those amendments at clause-by-clause, should the bill move forward. If not, will the government at least present other options that we can consider collectively to help protect the lung health of all Ontarians? That's why I'm here today.

The Chair (Mr. Grant Crack): Thank you very much; appreciate it. We'll start with the government: Mr. Rinaldi.

Mr. Lou Rinaldi: Thanks, Chris, for being here. I know you're no stranger to this place. Let me say thank you to you personally and to the Ontario Lung Association for the good work you do to make us, as elected folks at Queen's Park, more informed on the issues.

Mr. Chris Yaccato: Thank you.

Mr. Lou Rinaldi: I'm a big supporter of your organization and the accomplishments you've made when it comes to trying to prevent lung cancer and the whole scenario when it comes to awareness around smoking and the harm that it will do.

You touched on your disappointment, and I get it. Let's not beat around the bush; I get it. There was some fairly deep consultation; you heard it earlier on. One of the things that I can share with you is that part of those consultations—one of the things that popped up was the fact that a lot of the renters, especially of low income, are our highest percentage of smokers. I'm not saying that that's a good thing, but that's the world today. It's what it is.

Our thought behind going in this direction—not to say that that might not change down the road—is the fact that we wanted to make sure we didn't make life any harder for those folks to find a place that they can call home. There was that piece to it. Yes, we're two different sides, but I think that's part of the rationale. I don't know if you have any comments towards that.

Mr. Chris Yaccato: Yes; we don't want to make it harder for people out there to afford a home. The home is your castle, and that's where you live. Every extra expenditure out there is just a notch on your ability to live comfortably.

At the same time, like you just acknowledged, even as a smoker, you're in a higher bracket and more affected by radon gas, because obviously you're impacting your lungs at another level outside of the home and even inside the home through second-hand smoke.

I think there was always a hope that we could look at that issue together, without impacting a person's ability to live in their own home comfortably and without fear of reprisal or extra expense. It's a slippery slope because on the one hand, our association is there to protect the lung

health of everybody. In this crazy market, what's the big priority? I know that the government was moving forward in that direction. I don't have a golden answer for you, but—

The Chair (Mr. Grant Crack): Thank you very much. We'll move to the official opposition: Ms. Thompson.

Ms. Lisa M. Thompson: Thanks for coming in, Chris. It's always good to see you.

I particularly picked up on your comment around the lack of communication, because you would have liked an opportunity to discuss other options. I'm wondering if you would like to put in those other options, identify them and get them on record today so that they could be further into the discussion.

Mr. Chris Yaccato: Great. That's right: just an opportunity to present.

The options could very well be—I don't know if this committee would be the appropriate committee to look at and study those options further, or a government round table of some sort that could consider radon- and smoke-free housing units. There's radon in smoke-free housing. Municipalities across the province are going their own way in dealing with smoke-free units and affordable housing units. Councillor Steve Clement in Muskoka region comes to mind, working with the Muskoka region on dealing with smoke-free units, grandfathering those units—when a tenant moves out, it becomes smoke-free. You're even more susceptible in those buildings because the HVAC system takes smoke from the same room and drops it into another room. You could be in a completely other building.

I think it's just not letting this go by the wayside. With respect to radon, we have opportunities through the building code to deal with radon testing. I think there's an affordable housing strategy group meeting—an opportunity there to deal with radon, or a ministry-led round table that could bring in radon experts from across Ontario and even Health Canada, who could work together to develop a "protect" measure for tenants.

Ms. Lisa M. Thompson: Very good. We appreciate that. Thank you, Chris.

Mr. Chris Yaccato: Thank you.

The Chair (Mr. Grant Crack): Mr. Hatfield.

Mr. Percy Hatfield: Chris, I didn't get it in time. How many tenants are exposed to second-hand smoke?

Mr. Chris Yaccato: I don't have those particular numbers—

Mr. Percy Hatfield: I thought you read it.

Mr. Chris Yaccato: Oh, sorry; second-hand smoke. I've got radon. The Ontario Tobacco Research Unit, OTRU, estimates that 800,000 Ontarians are exposed to second-hand smoke in multi-unit dwellings.

Mr. Percy Hatfield: Multi-unit: Okay. If you can't get smoking banned in existing buildings, would you settle for a smoking ban in new residential apartments yet to be built in Ontario?

Mr. Chris Yaccato: I think that's a great approach. The city of Toronto brought forward an affordable

housing strategy on dealing with Toronto Community Housing, and we had proposed something along those lines: that when new units come on, they become smoke-free. A lot of private condo units are doing that. Condo boards are getting tenant agreements and going through that process—entire buildings being non-smoking. I think there is that option. Obviously, we would like to see it extended throughout, because—

Mr. Percy Hatfield: How about radon testing? If you can't get smoking, should somebody be testing for radon in every apartment building of any real size in Ontario?

1700

Mr. Chris Yaccato: Obviously, the best-case scenario is to test every building, but we understand that there are logistics and so forth. We're open to suggestions. That's a concept that we could look at. Radon is prevalent everywhere, so anywhere you live, you should test—especially ground contact. That being said, I think we're open to working with government and members like you on those very things, to at least make progress toward testing. If we have to start slow or small, that's fine.

The Chair (Mr. Grant Crack): Thank you, Mr. Yaccato, for coming before committee and sharing your insights. It's much appreciated.

GREATER TORONTO APARTMENT ASSOCIATION

The Chair (Mr. Grant Crack): We shall move to the Greater Toronto Apartment Association. We have Mr. Daryl Chong. He is the president and the chief executive officer.

We welcome you, sir.

Mr. Daryl Chong: Thank you very much, Mr. Chair and committee members. As noted, the Greater Toronto Apartment Association is a voluntary industry association of apartment building owners and property managers. My members own and operate over 150,000 units of multi-family purpose-built rental in the GTA. We're the apartment people.

We're concerned that the proposed Rental Fairness Act does not provide the necessary incentives for the development of new supply of purpose-built rental. I think we all know what the benefits of purpose-built rental are. They provide permanent housing in all price categories, typically with more bedrooms than a lot of the new condominium stock. Apartment buildings are professionally owned and managed by specialists who know the rules and regulations. Rental provides people with choices—the ability to move to different-sized units in different areas as your needs through your life cycle change. All governments should be doing more to provide incentives for new purpose-built rental.

I passed around a package. I don't know if you have it, but if you do, it's a series of charts. This first chart is Toronto apartment completions by year. In blue, you'll notice that the decade spanning 1965 to 1974 saw the opening of over 140,000 units of purpose-built rental in the city of Toronto alone. That came in the form of 626

buildings, with an average of about 225 units per building. These are many of the 40- and 50-year-old high-rises that you see scattered throughout the city. They're still there, they're still in decent shape, and filled with people—mostly happy people. If you follow further down on the chart, the unintended consequence of the introduction of provincial rent control in 1975 saw this number fall off a cliff. I've continued the number further down.

The purposely designed introduction of the post-1991 exemption by the NDP government in 1992 was a step in the right direction. Its purpose was to create an incentive to develop more rental. It was tremendously successful in two ways.

If you flip to the next chart, these are condominium completions in the GTA and in the city of Toronto by year. The post-1991 exemption's main contribution to the rental supply was in the form of condominiums. As you can see in this table, 220,000 units were built in the last 15 years. Everyone agrees that about a third of these units go directly into the rental stream. So anyone who says that the 1991 exemption had no net effect or no positive effect on the supply of new rental—just simply go through the real data, which I've provided for you.

Many of these condo owners are small landlords. I would say that the vast majority of them are small landlords that own maybe just one unit. In the past summer, you went through a small landlords consultation to encourage more development or more opening of new units such as condominium investors. This current proposal before us, with the elimination of the post-1991 exemption, does not offer that incentive, nor does the provision to take back the unit for family use and things like that.

The other way the post-1991 exemption was meant to be successful was that it was going to be contribute an incentive for purpose-built rental guys to get back into the game. But it wasn't enough. There are burdens—development charges, municipal fees, high land cost, unfair property tax exemption regimes, the loss of the federal capital cost allowance—all of these things made purpose-built rental uneconomic until just recently. We've just started to turn the page.

If you do turn the page, this chart is from the city of Toronto planning department. It's from September of 2016. It's a table that shows the last five years of freeholds, condominiums and rental completions. You'll see that it is starting to pick up a little bit on this bottom chart.

I advise you to turn to the last page where we've taken a study by land economists, Urbanation. They've shown quite clearly that there are 29,000 units in the pipeline right now. At the top of the list here, I've listed the actual addresses of 2,000 units. These are all in the city of Toronto. Most of my members are in the city of Toronto. These are 2,000 units that are opening in 2017, this year. Two of the buildings are already open, the rest are on stream to open. They're substantially complete, if you will.

The second group is 2,400 units in the city of Toronto opening in 2018. They're all dug and they're in various

stages of completion. It'll take probably until the end of next year for those to finish—

The Chair (Mr. Grant Crack): Thank you very much. I gave you 15 extra seconds.

Mr. Daryl Chong: Sorry.

The Chair (Mr. Grant Crack): We'll move to the Progressive Conservatives: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you so much, Daryl, for the presentation. Of all the people I've been able to inquire about, it's the first explanation. There seems to be two sets of figures in the system about how the opening-up of changing the rent control in 1991 didn't have any impact, some say, and others say it had a major impact. This is the first time anybody has come in to explain what the impact was and why we have two sets of numbers.

I think you said in your presentation that in the condominium completions, they would be primarily small landlords, somebody buying just a number of condos and then renting them out.

Mr. Daryl Chong: Yes. There's a study out there that has a number—I don't recall the number—but many, a large majority, a large number of condominium owners who own and occupy their unit have also bought one investment unit, maybe the one in the next phase, next door in the same building. A lot of condominium owners are themselves very small landlords.

Mr. Ernie Hardeman: Have you heard anything from the people in that—and this is one of the challenges that we have with the bill before us—about the impact of the condo fees as part of the rent or not part of the rent, and the fact that condo fees are not regulated by any legislation, what the condo boards says, “we need,” that's what they get? The landlord, in this case, would have to pay and would not be able to increase the cost of the rent to the tenant. Have you heard any problems with that?

Mr. Daryl Chong: It's unclear, but at the end of the day, if the owner—a small investor who is a small landlord—is unable to pass on the cost, the only other option would be to sell.

Mr. Ernie Hardeman: They can pass it on, but only at the maximum 2.5%.

Mr. Daryl Chong: That's my understanding of the new proposal. My members do not own condominium units. All the members of the Greater Toronto Apartment Association own purpose-built apartment buildings only. I don't represent any condo owners.

Mr. Ernie Hardeman: Because that has been something that has been quite a concern to some people that I talk to—

Mr. Daryl Chong: That is a huge concern if you do speak to small landlords; absolutely.

Mr. Ernie Hardeman: Thank you very much for at least clearing up that much in there. I hope that we can solve that problem as we go forward. Thank you very much for your presentation.

Mr. Daryl Chong: Thank you.

The Chair (Mr. Grant Crack): Mr. Hatfield.

Mr. Percy Hatfield: Daryl, you must like the fact that any new apartments being built will be at the same tax rate as single-family residences.

Mr. Daryl Chong: It's been at the tax rate in the city of Toronto for over a decade.

Mr. Percy Hatfield: Has it really?

Mr. Daryl Chong: It has.

Mr. Percy Hatfield: Not in Windsor, where I come from. Every major apartment building has been converted to condo status just for the tax purpose.

Mr. Daryl Chong: In Toronto, the existing towers that were built before this new category was created are taxed at approximately three times higher than houses and condominiums. The people living in rental, typically the lower-income citizens of the city, are subsidizing homeowners every day.

1710

Mr. Percy Hatfield: The members of your association—what is the average increase that they have imposed on their tenants?

Mr. Daryl Chong: Almost all of the units in my membership were built before 1991 and subject to rent control.

Mr. Percy Hatfield: Oh, so they have been. Almost all?

Mr. Daryl Chong: Almost all. From the chart, you can see that we have built very little post the introduction of rent control.

Mr. Percy Hatfield: Yes. I rent a condo from a single-condo owner, and I have a great relationship with him. I don't get huge increases.

Mr. Daryl Chong: And most tenants don't.

Mr. Percy Hatfield: But I read the paper, and I know there are thousand-dollar increases. I know there are 30% and 40% increases.

Mr. Daryl Chong: You have to be careful not to draw policy from outliers and single incidents. I did speak to some reporters who came across those challenges, and they did agree that they had discounted rents before they were raised. It's very easy to find out what the market-rate rent is. You just have to Google it.

Mr. Percy Hatfield: Should there be a rent registry?

Mr. Daryl Chong: I don't know what that would accomplish. There used to be a rent registry. It was just a lot of red tape.

Mr. Percy Hatfield: But if I wanted to find out what the going rate is in my neighbourhood, it would be easy to find out, without going in blind to a landlord and him telling me, “Oh, it's going to be \$2,000” instead of \$1,500.

Mr. Daryl Chong: If you're interested in any rental unit in any part of town, all you need to do is search and you'll probably find dozens within walking distance of the intersection, by bedroom size, with amenities that you may or may not like. In a free market, you can't charge more than the market will bear.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Grant Crack): We shall move to the government side. Mr. Colle.

Mr. Mike Colle: Thank you, Mr. Chong, for your very comprehensive summary here. The one thing that I find contradictory in your presentation is that, on one hand, you say that there are enough purpose-built rentals

that have been built, but you buffer that by including the condominiums that have been completed. By including the condominiums, you're basically including a Wild West part of the rental supply, which is under no controls whatsoever except the market. Therefore, a tenant in a condominium really has very few rights, if any, against rent increases, the absorption of the condominium fees, or eviction. We have heard a lot of stories about evictions where condominium owners bought the units for renting, and then, to get rid of a tenant, they would say, "Well, I'm taking it over for my son's university."

I just wonder if it's really fair to include the condominium completions as part of your argument about the purpose-built rental accommodations being made available.

Mr. Daryl Chong: No, I didn't mean it that way. What I meant to say is, there hasn't been sufficient purpose-built rental, which is the superior type of rental, professionally owned and managed by people who know the rules. It doesn't create a Wild West situation when it's run by companies that know the rules and regulations.

What has saved us as a city and as a province, in regard to housing our residents and attracting jobs, is all these small investors that have gone out of their way to invest in a small condo or convert their basement, or something similar. They have actually saved us from not having enough housing to attract the jobs that we need to attract.

Mr. Mike Colle: As you know, we passed the secondary-unit legislation a number of years ago, which not only helps the tenant but helps some homeowners who are house-rich but cash-poor.

Mr. Daryl Chong: But most of those secondary units—they used to call them nanny suites or basement apartments—were introduced post-1991. That small landlord who lives upstairs has to balance income with expenses. There are going to be utilities that are going to be used there. They are not going to separately meter a house. The insurance is going to be added, and the wear and tear, and so on.

Now, with the provision gone that you can't remove that, in case your 25-year-old son can't find a job and wants to move back in with his wife and kid, it becomes very difficult, and it only acts as a discouragement or a disincentive for someone who has a house with space in the basement to spend \$50,000 to convert it.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate your insight, Mr. Chong, and your coming before committee this afternoon.

Mr. Daryl Chong: Thank you.

CANADIAN ASSOCIATION OF RADON SCIENTISTS AND TECHNOLOGISTS

The Chair (Mr. Grant Crack): Next on the agenda, we have, from the Canadian Association of Radon Scientists and Technologists, Mr. Bob Wood. He is the past president. We welcome you, Mr. Wood, to com-

mittee this afternoon. You have up to five minutes for your presentation.

Mr. Bob Wood: Thank you. The vice-president of CARST is going to be hooking up his computer to show you a little presentation as well.

The Chair (Mr. Grant Crack): Okay. I understand his name is Mr. Scott Cryer—

Mr. Bob Wood: Mr. Scott Cryer.

The Chair (Mr. Grant Crack): Welcome to the two of you, gentlemen. We look forward to your presentation.

Mr. Bob Wood: Chair, Clerk and members of the committee, I'm here on behalf of the Canadian Association of Radon Scientists and Technologists, an organization which is committed to increasing radon awareness and reducing radon risk for Canadians. We are here today to express our disappointment that changes to the Residential Tenancies Act concerning radon testing are being left out in this current bill. Keeping them in is an important step in protecting vulnerable Ontarians from the dangers of radiation from radon.

The minister committed to us in many meetings that we had that ground contact apartments would be required to be tested annually, and if radon levels were found to be high, would be fixed as a part of changes made to the Residential Tenancies Act. Somehow this got left out, but as radon advocate Mike Holmes says, "You need to make it right."

Radon is an odorless, colourless, radioactive gas that damages DNA in the lungs and causes lung cancer. You may have heard the famous phrase, "Lung cancer? But she never smoked a day in her life." We want to introduce you to Virginia, a client of mine and lung cancer victim from right here in Ontario. She never smoked a day in her life.

Scott, are you ready to go?

Mr. Scott Cryer: Yes. Oh, I see it on my laptop, but not on this, I'm afraid.

Interjections.

Mr. Bob Wood: In the interests of time, while they're getting that organized, I'd like to recognize Granville, who is my own MPP. We've had a couple of meetings on radon.

Committee members, we're asking you to revise Bill 124 to require landlords to test and fix all ground contact rental units. Each lease should have a current—i.e., within the last year—radon test report showing a low radon level. The test should be conducted using a long-term test by an independent, third-party measurement professional who's certified with the Canadian-National Radon Proficiency Program. We recommend that this be part of every lease or the lease is simply not valid. It's a methodology to force landlords into getting this done.

Are we ready to go?

Mr. Scott Cryer: Yes.

Mr. Bob Wood: Virginia.

Video presentation.

Mr. Bob Wood: Sorry, we don't have sound.

Ms. Daiene Vernile: There was music, though.

Mr. Bob Wood: We had sound.

The Chair (Mr. Grant Crack): How can that be?

Interjections.

Mr. Bob Wood: Okay. In the interests of the committee's time—radon testing is simple and fixing is cheap—

Interruption.

Mr. Bob Wood: We'll let them worry about the technicals.

Radon testing is simple. It's a test kit. You have to do it with a certified person or an independent third party because it's easy to cheat. Simply put it out in the garage or mislabel the time of exposure and you would beat the system. It typically costs \$2,500 to mitigate a house. That's not much when we talk about 850 people in Ontario dying every year from lung cancer caused by radon. In the package I put out to you, we have all of the stuff backing that up from Public Health Ontario. These aren't our numbers. These are Health Canada's numbers. These are Public Health Ontario numbers.

1720

It's a silent epidemic. Those 850 people are extremely savable. Radon testing for tenants is something we need to start now. They're looking at it in the building code—making changes. They're looking at making changes in other places to try to get more places tested. But I ask this committee to make that change to Bill 124.

The Chair (Mr. Grant Crack): Thank you. Any luck?

Mr. Scott Cryer: Yes, I think so.

Video presentation.

The Chair (Mr. Grant Crack): Thank you very much. We'll start the line of questioning with Mr. Hatfield.

Mr. Percy Hatfield: I was touched, Bob, by your statement that the minister had committed to you several times that this would be in the bill and it's not in here. What kind of commitment did he give you?

Mr. Bob Wood: I had a verbal commitment.

I do need to say this: The ministry has changed.

Mr. Percy Hatfield: So you had it from Mr. McMeekin?

Mr. Bob Wood: Yes.

Mr. Percy Hatfield: Did you have any meetings with Mr. Mauro?

Mr. Bob Wood: We did have one meeting with Mr. Mauro, to introduce him to radon and what was going on, and we had several follow-ups with staff.

Mr. Percy Hatfield: Did you ever meet with Minister Ballard?

Mr. Bob Wood: I believe we had one meeting with Mr. Ballard as well.

Mr. Percy Hatfield: How much does it cost to test one unit—I guess it would be one unit, depending on how many units in each building.

Mr. Bob Wood: Depending on how far a technician would have to go, a technician would probably be under \$250.

Mr. Percy Hatfield: So just to test one unit would be \$250. If they found something really bad, it would cost about \$2,500 per unit to mitigate and—

Mr. Bob Wood: Yes. Obviously, if you're talking about a number of units, it's the technician's time—

Mr. Percy Hatfield: So that could drop.

Mr. Bob Wood: Yes. The test kits themselves are \$35 apiece. It's just that they've got to get a technician out there and a technician back to pick them up.

Mr. Percy Hatfield: So the ministry, at one time, understood the danger of radon and had a path clear to work on it and put it in a bill, and then something happened and it didn't get there. It will be interesting to hear what the answer is to that.

The Chair (Mr. Grant Crack): We'll move to the government side. Madame Des Rosiers.

M^{me} Nathalie Des Rosiers: So \$250 per unit to have the person—and then what does it mean when you say “mitigate the house”?

Mr. Bob Wood: “Mitigate” is to fix.

M^{me} Nathalie Des Rosiers: So you're fixing the house. What does that encompass?

Mr. Bob Wood: If we look at how a house draws radon into it—picture a Tim Hortons cup. If I push a Tim Hortons cup down into a bucket of water, and the cup has a couple of holes in it, the water is going to flow in. If we take a house and stick it in the soil, the soil gases that are around that house flow in. So what we do is we stick a pipe down under and take it outside. We fix the radon levels that way.

M^{me} Nathalie Des Rosiers: And it's been done a lot, I would think, around Ontario?

Mr. Bob Wood: Yes.

M^{me} Nathalie Des Rosiers: Are there places where it's difficult to—

Mr. Bob Wood: There are places that are difficult. In my experience—and I've been fixing houses since 2005—we have not not gotten a house down.

M^{me} Nathalie Des Rosiers: And when you say \$2,500, is that on average?

Mr. Bob Wood: That's an average.

M^{me} Nathalie Des Rosiers: What would be the highest possible cost, if it's a really bad—you know?

Mr. Bob Wood: It's not about the level of radon—

M^{me} Nathalie Des Rosiers: No, no. It's the way the house is built.

Mr. Bob Wood: —it's the way the house is built. So if you take an old house with clay soils underneath, maybe a crawl space, that kind of thing, you could run into \$7,000, \$8,000, \$10,000. The highest one I ever fixed was a rock one on the Quebec side, and it was \$12,000. But it was a unique build, certainly not what we see in most of urban Ontario.

M^{me} Nathalie Des Rosiers: Just to finish, what you want would be an obligation to test all units. Or what did you have in mind?

Mr. Bob Wood: What we asked for—and the minister had kind of agreed—we were looking to test ground-contact units as a beginning step.

The Chair (Mr. Grant Crack): Thank you very much. To the official opposition: Ms. Thompson.

Ms. Lisa M. Thompson: Thank you very much, Chair. Great job.

Thank you for being here. I'm really glad we took time for the video. I have a question for you: What other jurisdictions are making the radon testing mandatory?

Mr. Bob Wood: In the United States—help me out here—south of New Brunswick, there is—

Mr. Scott Cryer: In Maine, for example, they have to test all the ground-contact residential units down there—

Mr. Bob Wood: —that are rentals.

Ms. Lisa M. Thompson: Okay.

Mr. Ernie Hardeman: Do you have another one?

Ms. Lisa M. Thompson: No, go ahead.

The Chair (Mr. Grant Crack): Mr. Hardeman.

Mr. Ernie Hardeman: If there's radon under the house, you drill in and you pipe it out. Depending on the volume, how do you make sure that you're piping it all out?

Mr. Bob Wood: We do some technical measurements about the pressure field extension and we test post, that we've actually reduced the levels.

Mr. Scott Cryer: Yes, so we'll take a test even within seven days after it's installed, a short-term test, and then it gets tested again later in the next heating season in this longer, more accurate test. Then Health Canada even advises that we should test every five years after that to make sure the system is still working properly.

Mr. Ernie Hardeman: I guess I was more interested—how long and how often do you have to recheck it to make sure it's still working? Secondly, how in this bill would we put anything in that would keep that enforcement going?

Mr. Bob Wood: Being as I was a small landlord at one time, the most powerful tool I had to keep my tenant for the first year was my lease. That's what I counted on, that I could make enough money back to be able to readvertise every year. I kept many of my tenants for 12 or 15 years, but that was my most powerful tool.

If you put in the fact that the lease isn't valid if they haven't committed a radon test, think about all those students who come in and live in basement apartments in all of our university towns and all of that. For that whole group, the lease wouldn't be valid so that they would stay for their university time, and they'd say, "Goodbye." That will move a significant number of tests to happen and create that. That's why we're suggesting that is the tool.

Mr. Ernie Hardeman: Okay. Thank you.

The Chair (Mr. Grant Crack): Thank you, gentlemen, for coming before committee this afternoon and sharing your insight.

Mr. Bob Wood: Thank you, committee.

HAPFIELD DEVELOPMENTS

The Chair (Mr. Grant Crack): Next we have, from Hapfield Developments, the president, Patti-Jo McLellan Shaw. We welcome you this afternoon, Ms. Shaw. You have up to five minutes for your presentation.

Ms. Patti-Jo McLellan Shaw: Good afternoon. We've been in the rental housing business in rural Ontario since 1966. My father was a plumber, and in 1966 he didn't have enough work for his guys, but he didn't want to lay them off because they were good. So he had land, and he built our first six plex; and there began the history of our property rental journey. Today we have 73 rental units spread over 15 buildings in rural Ontario. Our residents are primarily seniors, but not exclusively.

1730

The rules and regulations governing the residential rental industry have become increasingly complex over the years, and these include some discriminatory practices. We need to recognize that there are both good tenants and good landlords, and bad tenants and bad landlords. This is not unlike any other area of endeavour, from bankers to doctors to politicians to senators. But policy based on punitive regulations or politics is not the solution. We need balanced legislation that is evidence-based to contribute to a healthy residential rental industry for tenants and landlords alike.

The primary source of revenue for a landlord is the monthly rent paid by each resident. We don't have a money tree in the backyard, and no one is interested in buying caps or T-shirts with the landlord's name on them. We rely on those monthly rent payments to meet all of the expenses of the building.

Our property tax rates for multi-res buildings are 1.75 times higher than the residential rate in Wellington county. That's almost twice as much. The province of Ontario has had guidelines for municipalities to make multi-res and residential ratios 1:1. These guidelines have been in place for years but have never been enforced.

There are also provisions for property tax savings to flow directly through to sitting tenants. Municipalities have the responsibility to inform multi-res tenants about tax savings, thus ensuring that the residents gain the benefit, but this fair taxation has not been implemented, so our multi-res tenants pay a higher tax rate than someone renting a two-bedroom condo, the same type of accommodation that we supply.

Bill 124 will make it mandatory for municipalities to implement a 1.1:1 ratio for multi-res/res tax rates, but only for new purpose-built rental buildings, so the discrimination against our 73 residents continues.

Rent controls based on the consumer price index have averaged 1.75% in the past 10 years, but the guideline has been capped at 2.5%, so even if the CPI exceeds 2.5%, it can't be raised. Where do the dollars come from to cover these additional costs? Choosing a standard to base the guideline upon and then arbitrarily capping it at a 2.5% rate is not just, and Bill 124 continues to discriminate against these landlords.

The rent control guideline does not cover all of the increased costs experienced by the landlord: property taxes; insurance costs; services that are now subject to the HST—but we don't charge HST on our rents, so we don't have the input tax credit; utility costs; waste

management; repairs and maintenance; and residents' accommodation. And now Bill 124 proposes that we ban any above-guideline increase for all utilities. What options do landlords have if utility costs continue to rise?

Removal of the exemption for post-1991 buildings does not encourage rental supply. The landlord must pay to build and finance all costs throughout the building process. There are zero returns to your investment until the building is complete and fully rented, unlike condominiums that raise capital for the build by pre-selling individual condo units. Bill 124 proposes to impose rent controls. This provides no incentive to build purpose-built rentals.

We have land, and our intent has always been to continue to build additional purpose-built rentals. However, with development fees at \$13,450 for a two-bedroom apartment or \$16,000 for a townhouse-style model, that's \$107,000 or \$134,000 before we start the zoning fees, the planning fees, the stormwater management, the parkland costs, and the actual design of the building—and that doesn't even include the actual building materials and putting a shovel in the ground. These are real barriers for us in a small community. It is now far more prudent for us to sell off the land for residential lots.

Bill 124 proposes to eliminate a landlord's right to use eviction provisions for own use. What is the evidence to support this, if we are a corporation? As a small, family-owned company, as hard-working Ontarians for the last 50 years, why can we not use the own-use provision for my mother when she can no longer maintain a house and wants to move into one of our apartments? As a corporation under the Ontario fire code, both the company and the corporate directors can be fined for an infraction. Why is it okay to be liable individually under the fire code but not benefit under the landlord's-own-use provision?

Another discriminatory practice is that a corporation's income from property is considered non-active income unless you have more than five employees. The tax rate for non-active income is 47%.

In summary, we believe that discriminatory and punitive legislation does not bode well for a healthy multi-res industry. Specifically, we believe multi-res and residential tax rates must be the same for all multi-res buildings, not just for those built after 2017.

The Chair (Mr. Grant Crack): Thank you very much. I gave you over an extra minute.

Ms. Patti-Jo McLellan Shaw: I know you did. Thank you. I should have spoken quickly.

The Chair (Mr. Grant Crack): I'm just trying to be fair to the other presenters as well.

Ms. Patti-Jo McLellan Shaw: I know. Thank you.

The Chair (Mr. Grant Crack): We'll start with the opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. I would agree with you: There's a number of issues. We've heard a lot about the rent control part of the package, that it's going to curtail the building of rental units, because people can find a better

way to utilize the land, as you mentioned, building single-family residences, and come out better.

But in your presentation, you also came out with a number of other things that cause the cost of all building.

I think this whole package started out as trying to deal with the shortage of supply in the general housing market of all types. I wonder if you could just express those again for the record, about what you think we could do. You mentioned the development charges. You mentioned a couple of other things. Maybe you could just repeat some of those things that you think would help not only the rental—and I'm a firm believer that if you help all the other sectors, it automatically helps rental too. They all fit together somewhere. They're all for the same people somewhere along the line.

Ms. Patti-Jo McLellan Shaw: Yes. Development fees are part of it, but you also have to come up with storm management.

I'll give you, as an example, the building that we built in 1993. There were development fees per unit, so that's a big chunk to start with. But then we had to do a storm management plan. We are in a field of 40 acres; we live in rural Ontario. But we had to buy the railway path—the railway is deserted—to be a buffer. We had to dig a pond so that if we had any storm runoff from our parking lot, it would run back to that pond. Then we had to buy some of the farmer's field behind so that if it spilled over that buffer—those are costs that we incur that no one ever knows about, but those are imposed as part of the development.

I don't know where they think we get money. It's part of the rent. I mean, that's ultimately where you get that money to pay for it.

Mr. Ernie Hardeman: The other thing I was interested in, that we've heard some comments about, is wanting a unit for your family members, and the fact that that's going to be much more difficult.

Ms. Patti-Jo McLellan Shaw: It's going to be impossible. My mom, who worked as a nurse and also worked in the business, to get it started with my dad, can't get one of our units unless it becomes vacant at the time that she wants to move into an apartment. It doesn't seem to be fair.

Mr. Ernie Hardeman: Thank you.

The Chair (Mr. Grant Crack): Mr. Hatfield.

Mr. Percy Hatfield: With a name like Hatfield, I was intrigued by Hapfield Developments. Where does that come from?

Ms. Patti-Jo McLellan Shaw: My dad's name was Hap because when he was three years old, they called him "Happy." After he died in 1990, we had a field. It wasn't very original, but we called the building that we built after he passed away "Hapfield," and then we decided to name the company after him. Kind of cheesy, isn't it?

Mr. Percy Hatfield: How nice. How many of your 73 residential units in your 15 buildings come with utilities included in the rent?

Ms. Patti-Jo McLellan Shaw: Most of them don't.

Mr. Percy Hatfield: Don't?

Ms. Patti-Jo McLellan Shaw: Don't. Our building in Paisley is 10 units. It's an old school that we converted. It's all-inclusive because you don't have a lot of choice in an old building. In those residential units that are above our commercial properties on the old main street, they are included. I'd say probably one of every one of our other buildings—at least one of them has the utilities included.

Mr. Percy Hatfield: Okay. My understanding is, if your mom wants to move in, you've got to let the tenant know and maybe give the tenant a month's rent, to relocate. I don't see how that's impossible for your mom to move into whatever unit—

Ms. Patti-Jo McLellan Shaw: Because we're a company. It's a corporation.

Mr. Percy Hatfield: Because you're a company.

Ms. Patti-Jo McLellan Shaw: Yes. As a corporation, we're not allowed.

Mr. Percy Hatfield: You're not allowed to do it.

Ms. Patti-Jo McLellan Shaw: Because, apparently, we're not people. We're a company.

1740

Mr. Percy Hatfield: Okay. Why don't you like a standardized lease?

Ms. Patti-Jo McLellan Shaw: I think there are professional associations that have standardized leases that meet the bill, so my response would be for the government to propose that landlords belong to those professional associations and use those standardized leases that meet the benchmarks, that meet the Residential Tenancies Act and abide by the law.

I personally don't want a government agreement that would interfere with my ability to make an arrangement with my resident. This government—not just this government, but government—has a Landlord and Tenant Board that's not landlord-friendly, and my concern is that we're going to have a lease that's not going to be very landlord-friendly.

Mr. Percy Hatfield: My final question would be: What would be the average rent in rural Ontario in one of your apartments?

Ms. Patti-Jo McLellan Shaw: Our highest rent is \$800, which sounds pretty cheap when you talk about what's happening in urban Toronto and others, but they pay their utilities on top of that, so that would be another \$800. It is still expensive for individuals. We have a lot of seniors, a lot of widows on fixed incomes—

Mr. Percy Hatfield: Especially the way the hydro rates are going up in Ontario these days.

Ms. Patti-Jo McLellan Shaw: Exactly, yes. But I'll tell you, they become very concerned and engaged citizens when they're paying the bill. Our municipally elected individuals know—

Mr. Percy Hatfield: Exactly what's going on.

Ms. Patti-Jo McLellan Shaw: What's going on.

Mr. Percy Hatfield: So that's \$800 a month plus \$800 for utilities?

Ms. Patti-Jo McLellan Shaw: No, no, no. Eight hundred dollars plus \$200.

Mr. Percy Hatfield: Plus \$200? Oh.

Ms. Patti-Jo McLellan Shaw: Yes. In our community, in Mount Forest, we pay \$120 for water and sewer. It's not metered, so our little Mrs. Olive Aitken, who lives in one of our apartments and is 96, pays the same as a house that has four bedrooms and multiple occupants.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it. We'll go to the government side: Mr. Anderson.

Mr. Granville Anderson: Hi. How are you? You're the last one for the day. It's a long day.

Ms. Patti-Jo McLellan Shaw: Yes, I should have brought chocolate.

Mr. Granville Anderson: There are a number of issues that you raised, especially one that I took some interest in: the own-use provision in the bill. It's fair to say that you wouldn't do something like that, but it was being abused by a certain faction. It's something where we wouldn't want your relative—your mother or your grandmother—not to have somewhere to go, so it's something that we would probably look at.

We have to look at that. We have to look at everything, but at the same time we have to make sure that that provision isn't abused. Is that fair? Would you consider that fair?

Ms. Patti-Jo McLellan Shaw: I think it is fair. I guess the question I have is that the provision will stay in the Residential Tenancies Act for own use, but only for individual landlords and not for companies. That's where I have the problem. If it's going to be there, then it should be available whether you're a company or whether you're an individual landlord.

Mr. Granville Anderson: We will take note of that.

Ms. Patti-Jo McLellan Shaw: Okay.

Mr. Granville Anderson: And one other point: You do know that hydro rates are going down? There's a 25% decrease in hydro rates, so hopefully that will help.

Ms. Patti-Jo McLellan Shaw: Hopefully, yes. Hopefully. But you know what? When we have a vacant apartment, we pay about \$260 for utilities that we don't use.

Mr. Granville Anderson: That you don't use?

Ms. Patti-Jo McLellan Shaw: That we don't use. Because of the admin fees, the minimum charge for hydro, gas, water and sewer—that's our municipality for us. We fight them all the time on it.

Mr. Granville Anderson: Thank you very much for being here.

The Chair (Mr. Grant Crack): Thank you very much, Ms. Shaw, for coming before our committee. We wish you all the best.

Ms. Patti-Jo McLellan Shaw: Thank you very much.

The Chair (Mr. Grant Crack): We appreciate it.

All right. A couple of things before we finish up: There was a request made to the Chair to film a presentation tomorrow. Of course, that goes against normal protocol of committees—an individual being filmed—so after discussions with the Clerk I felt that it would be appropriate that we could accommodate that through our

broadcasting system, and they could get it after, if we could move to room 151. Is there any objection to moving to room 151? Mr. Hatfield.

Mr. Percy Hatfield: Who's making the request?

The Chair (Mr. Grant Crack): Madam Clerk?

The Clerk of the Committee (Ms. Sylwia Przewozniak): It's the Quinte Region Landlords Association.

Mr. Percy Hatfield: The Quinte Region Landlords Association wants to film Lou in action?

The Chair (Mr. Grant Crack): No, I don't think that's the purpose. I think the association wanted to film the presenter, and of course, like I said, we don't allow that, because it films members and documents. There's a real protocol for filming of committee meetings, and it's best left to broadcasting.

Ms. Daiene Vernile: Chair?

The Chair (Mr. Grant Crack): Mr. Hardeman had his hand up first.

Mr. Ernie Hardeman: I just wanted to point out—I don't know for sure, but I do know the other one is busy until 3 o'clock.

The Chair (Mr. Grant Crack): Yes, and we start at 3:30. Ms. Vernile?

Ms. Daiene Vernile: Chair, are they talking about bringing in extra equipment, or just recording off of the in-house feed?

The Chair (Mr. Grant Crack): No, no. They would have had to bring in their own equipment if we were here. We're not going to allow that. They'll be able to get it off of the legislative site.

Ms. Daiene Vernile: Okay.

The Chair (Mr. Grant Crack): That's the normal process.

Ms. Daiene Vernile: Where are the cameras positioned there? Are they just at the person speaking, or behind the person?

Mr. Percy Hatfield: Up in the ceiling.

Ms. Daiene Vernile: But then you see how we have it right here, but nothing in this direction.

Mr. Percy Hatfield: That was the larger camera.

The Chair (Mr. Grant Crack): The way the cameras work is, they basically only film the individual speaking, whether it's the Chair and/or the presenter and/or the individual member of the committee. It's not broad.

We will be moving—

Mr. Ernie Hardeman: If you go down one channel on the TV, that committee room is on that channel.

The Chair (Mr. Grant Crack): We will be moving to 151 tomorrow.

Secondly, Mr. Colle, on a point of order, requested information from legislative research. It is not a point of order. But if the committee is interested, legislative research could then pull that information, which was to see what the population is, in and out of Toronto, since—what was the date? Mr. Hardeman.

Mr. Ernie Hardeman: Mr. Chairman, I have no objection to doing more research, but I do question—if the amendments have to be in by Thursday, I wonder whether there's any chance, under this one or the next one, that that research will be completed to help us in the deliberation of this committee.

The Chair (Mr. Grant Crack): Well, I'm sure he'll do his best.

Would you like to speak to that, Mr. Vidoni?

Mr. Michael Vidoni: You took the words right out of my mouth. We'll do our best. Since we don't have a range, we'll see what data is available, and provide whatever data is available, showing net migration to Toronto.

The Chair (Mr. Grant Crack): As I mentioned earlier, we're on an order from the House. There is no provision in there, unless, of course, the committee agrees by unanimous consent, to ask the legislative research. Do we have consent? Okay.

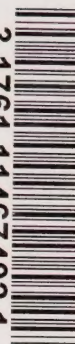
Do the best you can, sir. That's all we ask.

Thank you very much. There is no further business.

Ms. Lisa M. Thompson: Good job, Chair.

The Chair (Mr. Grant Crack): Thank you. This meeting is adjourned.

The committee adjourned at 1747.



STANDING COMMITTEE ON GENERAL GOVERNMENT

Chair / Président

Mr. Grant Crack (Glengarry–Prescott–Russell L)

Vice-Chair / Vice-Président

Mr. Granville Anderson (Durham L)

Mr. Granville Anderson (Durham L)

Mr. Yvan Baker (Etobicoke Centre / Etobicoke-Centre L)

Mr. Mike Colle (Eglinton–Lawrence L)

Mr. Grant Crack (Glengarry–Prescott–Russell L)

M^{me} Nathalie Des Rosiers (Ottawa–Vanier L)

Mrs. Lisa Gretzky (Windsor West / Windsor-Ouest ND)

Ms. Ann Hoggarth (Barrie L)

Mrs. Julia Munro (York–Simcoe PC)

Ms. Lisa M. Thompson (Huron–Bruce PC)

Substitutions / Membres remplaçants

Mr. Ernie Hardeman (Oxford PC)

Mr. Percy Hatfield (Windsor–Tecumseh ND)

Mr. Lou Rinaldi (Northumberland–Quinte West L)

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Clerk / Greffière

Ms. Sylwia Przewdzicki

Staff / Personnel

Mr. Michael Vidoni, research officer,
Research Services